

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

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## DURING 1936

Our New Paid Business Was Greater

Than in 1935 by . . . . . 3%

Insurance in Force Increased About . . 3%

Assets Increased Over . . . . . 10%

**ON JANUARY 22**

**In this same space — we will make an  
IMPORTANT ANNOUNCEMENT**

### To General Agents we offer:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plans,—Sales Talks.
8. Unusually effective selling equipment.
9. Policies of all kinds: Regular—Juvenile—Women—Group—Payroll Savings, etc.
10. Monthly Premiums.
11. A Mutual Company 57 years old—an understanding co-operative Home Office.
12. Not too big to know you,—big enough to command respect everywhere!

*Our booklet "FACTS" will be sent on request*

**THE MINNESOTA MUTUAL  
LIFE INSURANCE COMPANY**

**SAINT PAUL, MINNESOTA**

**FRIDAY, JANUARY 15, 1937**

# Again WE RESOLVE...

1. To provide complete personal insurance service covering accident, sickness, old age, and death, thru individual contracts and also thru group life and accident and health plans—
2. To provide benefits at a guaranteed rate in order to avoid misunderstandings which result when sales are made on the basis of future estimates—
3. To provide insurance benefits for all classes of insurable risks, both standard and special, making any necessary adjustments in rates to cover additional hazards—
4. To provide life insurance benefits on the non-medical plan—
5. To employ only full-time salesmen—
6. To build up good will among the insuring public by prompt and efficient service, both in the matter of issuing policies and meeting the obligations imposed—
7. To provide policyowners with the additional security afforded by the capital funds paid in by stockholders—
8. To invest funds with regard first to safety of principal, and second, to favorable interest returns—
9. To handle the affairs of the Company in such a way as to promote its growth and increase its financial strength and to make it a contribution to the general welfare of the public.

## BUSINESS MEN'S ASSURANCE CO.

KANSAS CITY, MISSOURI  
W. T. GRANT, President

### Achievement—

An Increase of \$45,861,213.00 Insurance in force during the nine months ending September 30, 1936.

### Excellence—

The prestige that arises from financial stability and years of fair dealings is enjoyed by each Anico representative. Practical and attractive selling features open new avenues of business and complete the equipment of the men in the Field.

### Power—

\$554,328,732.00 Insurance in Force.  
\$56,326,868.37 in Assets and \$11,572,911.56 in Surplus on December 31st, 1935.

### Plans—

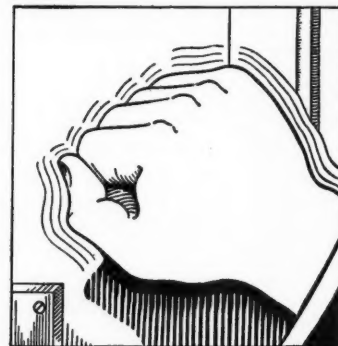
Extension of Agency development in both old and new territories.

#### Ordinary and Industrial

### AMERICAN NATIONAL INSURANCE COMPANY Galveston, Texas

W. L. Moody, III, Vice President	W. L. Moody, Jr., President
W. J. Shaw, Vice Pres. and Sec'y.	B. Werkenthin, Vice President
J. B. Mills, Vice President	F. B. Markle, Vice President
E. L. Roberts, Vice President	E. A. Rea, Manager, Industrial Department
In Charge Ordinary Agencies	White L. Moss, Supt. of Agencies
Western Division	Ordinary Department
	Eastern Division

"KNOCK --  
KNOCK"



## Opportunity Is Knocking! It Is Pounding On the Doors of Men Who Are Willing to Pay the Price of Success

Bankers National Life Insurance Company, the Company that reached 75 millions in 8 years, offers the opportunity of a lifetime to good men who want to be successful general agents.

Big success carries a corresponding price tag. The price is work, initiative, vision, perseverance.

If you feel there is no further opportunity for growth in your present connection; if you have a record of \$100,000 of paid-for personal production in 1935; if you have family responsibilities and a residence in either Pennsylvania, New Jersey, Ohio, Rhode Island, Maryland or Delaware, you are one of the men we want to talk to at once.

#### Address

William J. Sloger

Vice President & Superintendent of Agencies

Bankers National Life Insurance Company  
Montclair New Jersey



## Dropping Interest Guaranty Pondered

Settlement Option Growth Causing  
Concern Over Wisdom of  
Long-Term Commitments

## WOULD END FRILLS COST

Proposal's Backers Note That No Other  
Institutions Obligate Selves So  
Far Into Future

NEW YORK, Jan. 14.—Complete elimination of the guaranteed interest feature in the settlement options provisions of future life contracts is being considered as a possible answer to the problem which has been made more acute by the growing complexity of special modes of settlement and the long term assumptions which they involve. Interest would be paid as earned; those having settlement option distribution would not be in a position to get a free ride from the other policyholders.

Actuaries who feel that the guaranteed interest feature on settlement options should be eliminated point out that companies are guaranteeing a minimum rate on contracts which may require them to pay this rate for perhaps as long as 100 years from now. No one can definitely say, they feel, what the interest rates will be during that time. Some companies have already cut out excess interest on proceeds left on deposit and are paying only the guaranteed rate. Whether or not interest rates in the next few years are due for a rise, the real question is what they will do in the next 100 years or so.

### Complexity a Growing Problem

For quite a while the expense of handling special modes of settlement has been a growing problem. A moderately simple special setup as outlined by an agent may take many pages of legal phraseology by the time it has been put into a shape which would hold water if the case ever were brought to court by a disgruntled beneficiary. Then all this complicated legal structure has to be torn apart and reassembled every few years as conditions change or it is worse than no agreement at all. Also, the company issuing it is morally if not legally bound to keep in contact with a large group of secondary and contingent beneficiaries whose interests must be considered and while this group may be fairly compact today they are almost certain to be well scattered as years go by.

Those who favor the abolition of guaranteed interest on proceeds see in it the solution not only of the complexity and expense of the special mode of settlement, but also a prudent elimination of dangers which might conceivably arise from even the simple settlement provision. Other institutions, they point out,

(CONTINUED ON LAST PAGE)

## Sales Records for Last Year Show Marked Gains

### ACACIA MUTUAL LIFE

The Acacia Mutual Life has passed its all time high in life insurance in force, the total now exceeding \$364,800,000, a net increase of more than \$12,700,000 for the year.

Preliminary figures show new paid insurance of more than \$38,000,000. Death benefits and payments to living policyholders amounted to more than \$5,600,000. Assets have increased by about \$6,000,000 and now amount to more than \$66,000,000.

Acacia's conservation policy continued to bear fruit in a steady reduction in the number and volume of lapsed policies. Loans on policies have now reached the normal, pre-depression level.

President Montgomery stated: "On the basis of the forward strides which Acacia has made during the year just passed, all signs indicate that 1937 will be the best year in Acacia's history. We view the new year with optimism soundly based not only upon a strong financial structure and an actively cooperating field force, but upon the respect, confidence and intelligent understanding of the American people in the institution of life insurance."

### AMERICAN NATIONAL

The American National of Galveston closed the year with more than \$608,000,000 insurance in force, an increase of over \$53,000,000 for 1936. At the end of November the exact in force figure was \$607,139,003, an increase of \$52,810,271.

### FIDELITY MUTUAL LIFE

The Fidelity Mutual Life's insurance in force at the close of 1936 was \$358,463,000, a gain of \$1,743,000, according

to Walter LeMar Talbot, president. New paid insurance amounted to \$27,081,000. While running behind 1935 during the first six months of the year, new paid insurance in the last half of the year showed a gain of 16 percent over the last six months of 1935, Mr. Talbot stated. In the last quarter of 1936 a gain of 17.5 percent was shown. Net terminations during 1936 were the lowest since 1925. Policy surrenders were approximately 35 percent of the surrenders in 1932 or 1933.

### NATIONAL LIFE, VT.

An increase of \$7,500,000 in new life insurance in 1936 is reported by the National Life of Vermont. New business totaled \$45,637,000, a 19.87 percent increase. December showed the largest business since 1930, and it was the 26th consecutive monthly gain. By this increase, the insurance in force was brought up to \$519,781,000, a gain of \$9,750,000.

### CONTINENTAL ASSURANCE

The Continental Assurance's preliminary figures for 1936 show \$207,831,020 insurance in force, paid for basis. Its increase in the ordinary department exceeds \$8,800,000, in the group department \$4,800,000, a total of \$13,875,000.

### YEOMEN MUTUAL LIFE

The Yeomen Mutual Life increased its volume of new issued business 18 percent in 1936, President A. H. Hoffman announced at the directors annual meeting in Des Moines. Ledger assets increased \$1,067,553, and business in force totals \$95,354,618. A marked decrease in policy terminations and policy loans was

(CONTINUED ON PAGE 9)

## Three Companies Raise Nonpar Rate

Aetna, Travelers and Connecticut  
General Lay Action to  
Low Interest

## MAKING POLICY CHANGES

Increased Sales Before Effective Date  
March 1 Are Anticipated by  
Hartford Companies

Rate increases described as slight, effective March 1, are announced by the Travelers, Aetna Life, and Connecticut General, applicable to nonparticipating policies. These companies in matters of rates generally take action jointly.

The reason ascribed by the three companies for the rate action is low interest return on available investments. The rate tabulations are not as yet available. It is reported that the increase will be about 3 percent.

Also at this time there will be various policy changes. The increases will be less on the lower premium forms and ages than on high premium forms and ages.

### Much Actuarial Work

Actuarial departments have been at work on the figures for several months and the new rate books are in process of printing. The large amount of mathematical and printing work necessary has delayed making the rates effective at an earlier date.

While agents have been expecting these changes for some time it was not until the last few days that the companies made definite announcement to their agents. Agents are expected to notify all prospects to whom they have made quotations of the date at which the rates change. Applications must be submitted before the end of February, or else new quotations will have to be made.

### May Be Sales Stimulus

This increase will no doubt result in a jump in production records during the next few weeks, especially in the higher premium forms and higher ages.

Vice-president J. L. Howard of the Travelers stated in a bulletin to managers that the increase on lower premium forms and at lower ages will be less pronounced than on higher premium forms and at higher ages. Values at maturity and surrender values prior thereto in retirement income and pension insurance contracts have been increased. The maturity life income in the cash settlement contract will be in the form of instalment refund annuity, surrender values being increased at ages where the maturity value has been increased in order to make it equal to the total amount of annual premium.

The rate changes in ordinary life, limited life and endowment contracts re-

(CONTINUED ON PAGE 8)

## Preliminary Statement Figures

	New Paid Business		Change in Ins. in Force	
	1936	1935	1936	1935
Acacia Mutual Life.....	38,000,000	35,078,753	+12,700,000	+892,523
Acme Life .....	2,434,690	2,853,585	—	—
American Savings Life.....	2,052,122	1,596,368	—2,634,552	—4,183,385
Atlantic Life .....	13,261,054	14,102,447	+1,677,234	+1,510,242
Central Life, Ill. ....	4,165,096	3,587,309	+82,272	—4,848,821
Fidelity Mutual Life.....	27,081,015	27,444,348	+1,743,887	—5,085,001
Fidelity Union Life.....	4,436,390	3,451,818	+565,949	—2,487,122
Great Northwest Life.....	1,897,817	2,615,205	+739,496	+1,236,512
Imperial Life, Can. ....	20,066,365	24,014,147	+2,240,350	+404,295
Indianapolis Life .....	13,433,844	12,809,308	+5,010,871	+2,356,089
Lincoln National Life.....	129,938,416	131,770,958	+21,613,438	+11,912,640
Manufacturers Life .....	49,147,917 <sup>1</sup>	49,669,522	+10,863,818	+5,015,536
Modern Life .....	3,840,214	3,283,064	—1,177,585	—153,540
Montana Life .....	4,788,060	4,779,693	+827,350	+196,018
Monumental Life .....	79,706,833	73,198,576	+28,366,390	+19,552,030
New England Mutual Life.	144,814,315	143,485,843	+64,050,966	+47,633,276
Olympic Mutual Life.....	760,000	520,000	+406,000	+222,000
Philadelphia Life .....	5,001,281 <sup>2</sup>	4,071,484	+461,513	—1,859,326
Pilot Life, N. C. ....	32,314,157	27,749,389	+10,362,234	+5,166,716
Provident Life & Acc. ....	17,370,853	10,053,474	+19,406,854	+7,607,450
Provident Mutual Life.....	68,914,569 <sup>3</sup>	78,591,872	+8,008,731	+169,986
Pyramid Life .....	1,962,730	3,315,100	+1,388,820	+487,456
Reliance Life .....	43,896,984	48,349,716	+10,832,480	+9,507,033
State Mutual Life.....	41,291,175	36,465,410	+6,128,274	—8,424,869
State Reserve Life.....	1,820,047	1,998,896	+505,555	+664,395
Union Central Life.....	78,870,597 <sup>2</sup>	80,852,308	—10,332,293	—32,260,089
United Life & Accident....	3,854,714	4,265,632	+400,496	—91,754
Virginia Life & Casualty....	6,966,822	6,714,700	+1,024,076	+769,900
Volunteer State Life.....	10,351,131	9,200,041	+150,000	—1,769,251
Wisconsin Natl. Life.....	4,642,004	4,730,459	+1,118,491	+817,244

<sup>1</sup>Exclusive of the commuted value of deferred annuities, formerly included.

<sup>2</sup>Includes revivals and increases.

<sup>3</sup>Not including revivals, increases and additions.

## Industrial Probe Demanded in N. Y.

Resolution Introduced in State Senate Covers Ordinary Companies, Too

ASKS \$50,000 ALLOWANCE

"High Cost, Out of Date Mortality Tables," Given as Reasons by Senator Quinn

ALBANY, N. Y., Jan. 14.—Calling for a joint legislative investigation of life company operations "particularly but not exclusively in the industrial or weekly premium field," a resolution has been introduced in the New York State senate by Senator Elmer F. Quinn, Democrat, New York City. The resolution carries with it a \$50,000 appropriation for expenses, including counsel. It would cover all companies doing business in New York State.

So far as can be learned, Senator Quinn's resolution originated among the legislators and is not the result of pressure by any group of disgruntled policyholders or misguided reformers.

Since the measure is a legislative resolution and not a proposed law, it does not require the governor's signature to make it effective, nor can it be stopped by his veto. The assembly as well as the senate would have to adopt a resolution to make it effective.

### Terminations "Unconscionable"

As reason for the need of such an investigation, Mr. Quinn said that "the cost of insurance is inordinately high, the mortality tables out of date, the number of premature terminations by way of surrender and lapse unconscionable, with widespread evil consequences to our citizens." The resolution also states that "it appears from studies of the reports of the department of insurance and from limited investigations in the organization and operation of the life insurance business in this state in the interests of policyholders and their beneficiaries are not safeguarded adequately under the present structure of life insurance companies doing business in this state."

The committee would be given broad powers under the resolution, which states that "the investigation of said committee may include every other matter and thing not specifically mentioned in this resolution deemed by the committee relevant to the general question of ascertaining and improving the conditions and conduct of the life insurance business, as though the same had been expressly specified herein."

### Would Sit in New York City

The investigation would presumably be held in New York City, if Mr. Quinn's resolution is successful in getting through the legislature, for the resolution provides that the committee is authorized to sit "in the city of New York, or elsewhere within or without the state."

The chances of the resolution getting through the legislature are problematical. If the project has the backing of Governor Lehman, it would of course progress faster than if it were independently organized. However, the investigation of life companies was not included in the governor's message at the opening of the legislature, so it is presumably not regarded by him as of first importance.

For several years there have been rumblings in various quarters indicating that an investigation of life insurance,

(CONTINUED ON PAGE 8)

## Connecticut Mutual's Big Trophy Given White

For achieving outstanding progress in the organization and development of his agency during 1936, E. F. White, general agent Connecticut Mutual at Dallas, was awarded the president's organization trophy. The announcement and presentation was made at the general agents conference held at Hollywood, Fla., this week.

Runners-up in the competition for the trophy were presented certificates of honorable mention: G. A. Helland, San Antonio; Moss & Moss, Louisville; Barney Nudelman, Albany, and H. C. Remien, Grand Rapids.

This is the second time that Mr. White has won the trophy, having received it in 1935. He started an agency at Dallas in June, 1933, and since that time it has paid for over \$13,500,000 of business.

## Reinstatement Questions Are Discussed by Benson

Advice on acting on reinstatement applications was offered the Life Insurance Lawyers Club of Chicago this week by M. E. Benson, attorney of the American Life Convention. His suggestions were culled from a review of court decisions.

"Authorities seem to indicate," Mr. Benson said, "that under the reinstatement clauses in policies and statutes the insured has a contractual right to reinstatement, that the company may not insert new restrictions or limitations in the policy as reinstated without a consideration therefor; that the company in declining to reinstate cannot act arbitrarily or capriciously, but must have a good and sufficient reason therefor; that this reason must be disclosed to the policyholders upon demand."

"Evidence of insurability must be satisfactory to the company, and courts will not interfere with the judgment of the company arrived at after the exercise of sound discretion. The company, in passing upon an application for reinstatement, may consider other factors than merely the condition of the insured's health."

His subject was, "To What Factors Is the Company's Inquiry Limited in Acting on Reinstatement Applications?"

## Deal for Sale of Atlantic Life Has Been Completed

WILL BE HELD FOR RESALE

President Lounsbury of Bankers National Life of Montclair, N. J., Inspects Property for Purchaser

RICHMOND, VA., Jan. 14.—No changes in name or location of the Atlantic Life are contemplated, according to M. R. Neifeld and Ralph R. Lounsbury, representatives of the Bankers National Investing Corporation, which has acquired control of the company. They were in Richmond this week making a study of the company, its properties and personnel. After conferring with President A. O. Swink and meeting other officials of the company, they addressed the entire home office staff, giving assurance that the company would be continued as a Richmond institution. Mr. Swink is expected to remain at its head. He is leaving the end of the week to attend the annual Aes convention at Hollywood Beach, Fla., which opens next Monday.

Mr. Neifeld is economist, statistician and director of the investment corporation. Mr. Lounsbury, who described himself as an insurance expert and representative of that corporation, is president of the Bankers National Life of Montclair, N. J. The Bankers National Holding Company owned the New Jersey company and the Bankers National Investing Corporation is buying the Atlantic Life. Reginald H. Smith, president of the Bankers National Investing Corporation, is a director of the Bankers National Life. It is the purpose of the new owners of the Atlantic to carry on as usual and to continue to build it up, they said. Assurance was given that no upsets were in prospect.

Control of the Atlantic Life of Richmond, Va., has passed to the Bankers National Investing Corporation of Delaware which is controlled by Boston capital. More than two-thirds of the company's stock has been deposited with the First & Merchants National Bank of Richmond through a committee (CONTINUED ON PAGE 8)

## Better Recruiting Seen Among Youths

Salaries, Plus Lessened Panic at Quitting Jobs, Are Factors

EMPLOYED ARE BEST BET

Recent Graduates Also Good, But Jobless Likely to Mislead Selves to Get Financing

NEW YORK, Jan. 14.—Companies and agencies which are concentrating on recruiting young men of a high type are optimistic about the outlook for securing such men this year, in spite of the general difficulty in recruiting. It is in this field that there has been recognition that these men must be financed, although on a modest basis because of their moderate financial requirements, and some illuminating experiments with payment of salaries are going on.

The objective of agency heads working along these lines is to get men who are just out of college or have been working a short time, a year or so. The particular reason why 1937 is looked upon as such a promising year is that during the depression and until practically the present time, men have been dubious about quitting a steady job, even though it paid only a small salary. They were not only afraid that they might flop in the life insurance business, but particularly that they would not be able to get their old jobs back if they should have to quit the life insurance business. Today the market for life insurance is better than it has been for years and 1937 is looked upon as the time when the business will surge forward following the customary lag by which life insurance recovery follows general business.

### Future Is More Certain

Thus the young man can be shown an optimistic outlook for selling life insurance and the improvement in general business has calmed whatever fears he might quite justifiably have felt about quitting a sure present for an uncertain future.

One definite lesson has emerged from the relatively short period of experience in concentrating on young men. That is the extreme desirability of getting men who are either employed or else very recently out of school. The difficulty with unemployed recruits is not that they are lacking in morale or are as a class less competent than those with jobs—although there is a general belief that on the average the better men have managed to retain their jobs.

### Overall Selves

The greatest trouble with taking men who are unemployed is that they are so anxious to get any kind of job with a steady income, even the small salary paid to new agents, that they talk themselves and the agency manager into believing that selling life insurance is the one career they are fitted for and have been yearning for.

All this is done in entire good faith, which makes it much more difficult for the general agent or manager to tell what the man's chances for making good are. The man with a job has no such low boiling point in his reaction toward a proposed new job. He may not think a whole lot of his present employment, but he knows he has done well enough to stave off the axe thus

(CONTINUED ON PAGE 8)

## New York City Speakers



PAUL F. CLARK, Boston



GERALD A. EUBANK, New York City

Two prominent managers spoke before the New York City Life Underwriters Association this week, Paul F. Clark is home office general agent of the John Hancock Mutual at Boston

and G. A. Eubank is Prudential manager in New York City. Both are top-notchers. Mr. Clark spoke on "Indirect Selling," and Mr. Eubank on "Clients, Inc."



## McAndless Tells of Lincoln's Year

Executive Vice-president Presents  
Some of the Pressing  
Problems

### TALKS ON INTEREST RATE

Hopes to Arouse Agents to Increase  
the Average Size of Smaller  
Policies

A. J. McAndless, executive vice-president of the Lincoln National Life, in speaking before the general agents from all over the country in convention at the Edgewater Beach Hotel in Chicago this week stated in reviewing the 1936 business not only in insurance but in all lines there was a steadier line. There were fewer higher peaks and less depressions. He said that he looks forward to this year with considerable enthusiasm to further stabilization of business.

#### Real Estate Situation

In speaking of the real estate that the company had to take over, he said that it was gradually being sold but it would not get rid of it for from five to ten years and some of the least desirable pieces would not be sold for longer than that. He said that it would take 10 years to get rid of the real estate acquired through the purchase of the Royal Union Life and the Northern States Life. The Lincoln National, he said, did not have any railroad bonds and so it was in the clear in that direction.

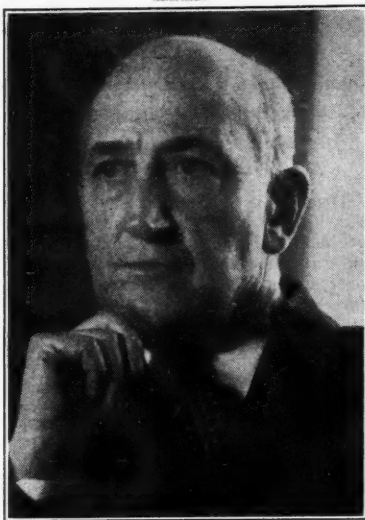
#### Cause of Lower Interest Yield

Mr. McAndless said that the change in the economic system brought about the lower interest yield. This is largely due to the world war and its after affects. It changed the United States from a debtor nation to a creditor nation. Where this is the case, Mr. McAndless said that capital accumulates rapidly. At the present time there is no great demand for excess capital in this country. Therefore, the interest rate has declined. All nations, he said, especially at this time want to make credit cheap. When a nation's budget is unbalanced it wants to get money cheap to meet its greater expenditures. Mr. McAndless defines interest as the price paid for the use of capital. The practice, he said, has been to borrow money for 30 years or so.

#### Cause of Interest Decline

When there are but few hazards and it is almost certain that the principal will be returned intact and the interest paid, the interest rate declines. It increases when there is a greater risk. If there is some doubt whether the principal may be lost or dissipated, then the interest rate runs up to take care of the additional hazard. He said that United States bonds might be said to be riskless. Many bonds put out by municipalities like Cincinnati and Milwaukee, he said, might be counted riskless. The return on United States bonds is about 1.90 and on Cincinnati and Milwaukee securities 1.6 or 1.7. This shows a decline from the preceding year. Recent Chicago bonds were sold at a yield of 1.7. This is due to the slight risk that the purchaser incurs. He took ten leading railroad bonds and showed that the yield was 3.02 and took ten leading utilities, 3.14. Both are three or four points lower than the year before. Mr. McAndless said that the present mortgage holdings yield about  $4\frac{1}{2}$  per-

## Again In Office



C. E. GAUSS

C. E. Gauss of Marshall has been appointed the insurance commissioner of Michigan by Governor Murphy. He formerly served in that capacity for two years, being replaced Jan. 1, 1935, by John C. Ketcham, who is now retiring.

cent gross but when the necessary expense is deducted it brings the yield less than 4 percent. Triple A bonds, he said, are running from 3 to 3.6 percent.

Mr. McAndless discussed in a very frank way the premium situation. He said that a number of agents had been asking whether the company could not

(CONTINUED ON LAST PAGE)

## Pension Trusts Are Feature of Underwriting "Clinic"

NEW YORK, Jan. 14.—Pension trusts got the spotlight at the advanced underwriting clinic which closed the Northwestern Mutual Life's regional convention. The clinic was conducted by M. M. Goldstein, assistant manager Clifford L. McMillen agency, New York City. Mr. Goldstein, having just completed a large pension trust case which necessitated his going to Washington to obtain at first hand the Treasury Department's attitude toward pension trusts, was able to give his audience a very definite idea of what can and cannot be done in this line under the present revenue act. He made it clear that one could not make a plan with benefits in direct proportion to stockholdings or which would tend to be a subterfuge for the evading of income tax.

However, he also indicated the various angles that can be used providing they come within the provisions of the law and regulations as to reasonableness, actuarial soundness, and a specific trust aside from the assets of the corporation. In other words, a true trust reserve in which the corporation divests itself completely of the assets.

#### Details Necessary Steps in Completing the Setup

Describing the various steps necessary to the completion of the entire operation, Mr. Goldstein presented a questionnaire in which he obtained the basic facts from the client. This was followed up by a proposal in which he made the recommendation to the client as to the amount of special retirement annuity contract with insurance necessary to carry out the desires of the

client. There followed a conference between the attorneys, the client and the agent. The attorney drew the agreement, it was checked by the attorney's trust company, and a trip to Washington was made to get federal approval.

This having been accomplished it was approved by the board of directors of the company, ratified, the manager of the corporation was appointed as manager, a corporate trustee was designated, the corporation paid its check to the trustee, the applications were signed, the examinations for the insurance were arranged, the policies were deposited with the trustee, and the premiums were paid by the trustee to the insurance company, the policies and rights remained with the trustee and the entire transaction was completed.

#### Says Confining It to Key Men Only Is Not Barred

"A plan which includes the key employees of the company is acceptable under the law providing it is not confined exclusively to stockholders and exclusively to officers," said Mr. Goldstein, "although there is nothing in the present law which says that such a plan is not acceptable even though it is confined exclusively to stockholders and officers. At the same time, it does make the plan safer, not only from the standpoint of the law but makes a more genuine pension trust for the junior people who are coming along in the organization and will some day be the executives, who should likewise be included in the pension plan."

"After all there are some very important attributes to the pension plan which have nothing to do with the saving of income taxes and no client should buy these plans who is interested solely and exclusively in the income tax benefits. They should be buying a pension plan, they should believe in a pension plan, they should want a pension plan. Savings of income tax should simply be an incident, not the main inducement, which forces him to go into it perhaps a little more quickly, just the same as if one is making charitable gifts today one should have the basic desire to give to charity and then be influenced to make those gifts perhaps a little more quickly or a little larger because the government comes along and says, 'Here, if you decide to make a charitable bequest, if you are making \$50,000 a year, I will contribute no less than 37 percent of the cost of those charities at that top bracket which is within 15 percent of your earned income.'

#### Government Willing to Encourage Social Ends

"The government, in other words, for a socially desirable measure is making an inducement. So it is with pension trusts and government insurance; the government is perfectly willing to encourage any socially desirable moves providing the basic concept of the whole plan is primarily a pension trust."

"The test question to ask the client is, 'Would you buy the pension trust without the tax saving? If you wouldn't, don't buy it.' Apply that test, then, to see whether they really have in mind a wish to go through with this and make it a pension trust and if so, then they take the tax savings along as an inducement, but they don't base their whole concept on it merely and exclusively and entirely on the tax saving."

"The basic sincerity of the plan needs to be considered and it should be basically and fundamentally a pension trust. If this material is placed in the hands of an expert, many a case can be saved because it can show the client the

(CONTINUED ON LAST PAGE)

## The Fifty-Year Zone

This is the founding chronology of the country's local Life Underwriters Associations, as far as early records disclose:—

Boston, 1883. Pittsburgh, Detroit, St. Paul, and Buffalo, 1886, halved their century in 1936. Maine, New York City, and Philadelphia, 1887, will do it in 1937. And, carrying the golden anniversary period to 1940, these will be the celebrants—Kansas City and Chicago, 1938. Cleveland and New Hampshire, 1939. Nebraska, Cincinnati, Baltimore, Providence, Vermont, 1940. The National Association was organized in 1890, with these seventeen local or state Associations represented.

The accumulating golden anniversaries of Life Underwriters Associations evidence how inseparably they are a part of the vast institution of life insurance, and compel the judgment that they have so long survived and prospered because they have efficiently served and worthily achieved.

We cannot guarantee that these Associations are the only ones existent within the fifty-year zone. We merely tell the tale as it was told to us.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

## New Organization Plan for Massachusetts Mutual Life

### TO BE FOUR MAIN DIVISIONS

Vice-presidents Behan and Fischer to Direct Program Announced at General Agency Conference

The new organization plan of the Massachusetts Mutual Life's agency department, and the objectives and practices which will guide its activities, were outlined by Vice-president Chester O. Fischer at the annual conference of general agents in Miami. The plan is designed for the expansion of activities and a further strengthening of the close relationship which has always existed between the field and the home office. The convention was called to order by Charles S. Jones, general agent at Battle Creek and retiring president of the General Agents Association. President Bertrand J. Perry reviewed 1936 accomplishments. The conference was devoted in the main to the outline of the new agency department plans.

#### Agency Department Setup

Subordinate to Vice-presidents Behan and Fischer, the activities of the agency department will be segregated into four divisions which will function in close coordination with each other and, in an advisory capacity, with the general agents. While at the home office, the heads of these divisions will specialize in their respective branches of the work. In the field, visiting agencies, they will consult with the general agents on all phases of activity.

Wrayburn M. Benton, who has started his second quarter-century of service, will specialize in the administration of agency work. A thorough study of agency costs will be carried on under his direction. The agency record department, headed by Manager Horace A. Quimby, will function under the direction of Mr. Benton in maintenance of records relating to production, contracts, licenses, etc.

#### Recruiting and Training

Another member of the agency department staff, soon to be appointed, will specialize in recruiting, training, and supervision, giving close attention to the gathering and dissemination of methods and ideas along this line. He will be available for consultation with general agents as to agency-building activities in general, both the factors of volume and quality being emphasized.

Charles W. Hall, whose appointment to the agency staff was announced in September, will be in charge of sales promotion. These activities will include preparation of specific selling plans and sales aids for field representatives, as well as advertising and publicity in general. Conservation practices at the home office will be under his supervision, as will also the production of new issues of the rate book and similar field equipment.

The direct mail division will function as a part of the sales promotion activities. Seneca M. Gamble will continue supervision over the direct mail service and his activities will be broadened in scope as he will assist Mr. Hall in other branches of sales promotion.

James M. Blake continues as manager of the field service department. He will superintend the editing and publication of the company's house organs and will be available for consultation by individual agencies in preparation of their own publications. His department will also review books on subjects relating to field work, recommending for company and agency use those which are regarded as of genuine value. Mr. Blake will be assisted by Leroy C. Cushman, editor, long in the service of the company.

The Massachusetts Mutual Life has always followed the practice of consult-

## Plan Denver Session of Millionaire Round Table

Grant Taggart, California-Western States Life, Cowley, Wyo., chairman of the 1936-1937 Million Dollar Round Table of the National Association of Life Underwriters, recently completed making preliminary arrangements in Denver for the next meeting of the Round Table there to be held in conjunction with the annual convention of the National association.

The meeting will be held in the Brown Palace Hotel Aug. 24 and will be preceded by a weekend of social entertainment at the Broadmoor Hotel in Colorado Springs to which all those attending the meeting are invited. The program for this party is being arranged by Henry Mosler of the Massachusetts Mutual in Los Angeles.

Mr. Taggart states that much interest is being shown in this year's meeting of the Round Table. A large number of million dollar producers all over the country have already indicated their intention to attend and have submitted their qualifications. All those eligible for this meeting are invited to get in touch with Mr. Taggart as soon as possible.

ing its general agents in matters affecting the field. This policy, it was emphasized by Vice-presidents Behan and Fischer, will be a definite feature of the new and enlarged plans. Agencies will be visited more frequently by members of the home office agency staff, maintaining contact and intimate familiarity with field problems, sales ideas, and field recommendations for company activity.

Following a thorough discussion of the new organization picture, General Agent Lawrence E. Simon of New York, spoke on "The General Agent As a Sales Manager." The convention was brought to a close by Vice-president Joseph C. Behan with "Let's Go Into Action."

#### Wants Moratorium Extension

LINCOLN, NEB., Jan. 14.—Continuance for two more years from March 1 of the mortgage moratorium law, first enacted in 1933, is recommended by Governor Cochran in his biennial message to the legislature. A bill to that effect was among the first filed.

## A. L. C. Financial Section's Tentative Program Is Given

### TO MEET IN CHICAGO FEB. 22

Interest Trend, Investment Problems, Mortgage Loans Situation Are Subjects to Be Discussed

Discussion of interest trend as affecting life insurance, various factors and problems in the mortgage loan field, and several other topics of major importance to company investment men, will feature the mid-year meeting of the Financial Section of the American Life Convention to be held in the Palmer House, Chicago, Feb. 22. J. E. McPherson, treasurer Business Men's Assurance, chairman of the section, will preside.

It is anticipated there will be large attendance of members and also officials of non-affiliated companies who have been invited. This will be the third mid-year meeting which the Financial Section has held, the event having been so successful from its inception that it has become an annual affair.

#### Speakers and Subjects

Wendell P. Coler, American United Life, Indianapolis, will deliver a paper on "Railroad Bonds." Howard Holder-ness, vice-president Jefferson Standard Life, Greensboro, N. C., is to speak on "Competition in the Mortgage Loan Field." Joseph D. Frank, associate general counsel Lincoln National Life, Fort Wayne, Ind., is scheduled to read a paper on "Recent Court Decisions in Texas."

T. W. Appleby, president Ohio National Life, Cincinnati, is to deliver an address on "Effect of the 1936 Market on Investment Portfolios." Several other papers will be read, the speakers to be announced soon. These include the subjects: "Canadian Securities," the Federal Housing Administration, "Life Insurance Companies' Policy with Reference to the Sale of Farm Lands," "Interest Trend" and other subjects not fully formulated. Alex B. Cunningham, treasurer Montana Life, Helena, Montana, is secretary of the section.

Dwight E. Kelder, home office representative of the Guarantee Mutual Life, with headquarters at Pasadena, Cal., was in the northern California territory conferring with Manager William J. Yuvan in Oakland.

## Agents Probably Employees Under Social Security Act

### THOMPSON PRESENTS BRIEF

Study of Treasury Department Rules and Court Decisions Point to Employee Status

DETROIT, Jan. 14.—While there has been no ruling by the Treasury Department on whether a life insurance producer is an employee or an independent contractor under the social security act, a digest of decisions and rulings seems to indicate that he must be considered as an employee. H. B. Thompson, general counsel of the Associate Life General Agents & Managers, disclosed in a bulletin to members.

An agreement with the producer that he is an independent contractor and not an employee has almost no bearing on the situation, since Treasury Department rules and court decisions declare that the following factors determine:

#### Determining Factors

(a) Have you the right to direct how he shall work, not merely to inspect what he has produced? If so, he is an employee. (b) Do you furnish him a place to work and tools? If so, it has been held "strongly evidentiary" that he is an employee, not an independent contractor. (c) Have you the right to discharge him? Held "perhaps the most important indication" that the relationship is that of employer and employee. (d) Is a part of the compensation salary or drawing account which you do not usually recover if he leaves? Then probably he is an employee and all his compensation is taxable wages.

#### Broker Is Independent

In the case of brokerage business, a man acting for several principals, supplying his own place to work, is prima facie an independent contractor in the eyes of the act. Under the terms of the act it is necessary to return, deduct from and pay on employees' salaries, advances other than collectible loans, commissions, bonuses, prizes whether in cash or not and benefits, retirement reserve and premiums other than group insurance.

Employers of one or more persons and the employees must come under the old age benefit provisions now in effect. The federal unemployment insurance is applicable to employers of eight or more persons, effective 1936 and on, with the first return due Jan. 31 for 1936.

#### SHOULD HAVE PENSION

In discussing the social security act, Frank T. McNally, general agent for the Massachusetts Mutual at Minneapolis for 25 years, told the Kansas City Life Underwriters Association that there should be a pension for the average agent. "The average agent works for the same company 25 to 30 years, under a contract containing a clause which prohibits him from working for any other company, and then the company tells him he's an 'independent contractor'! Where's the independence in that?"

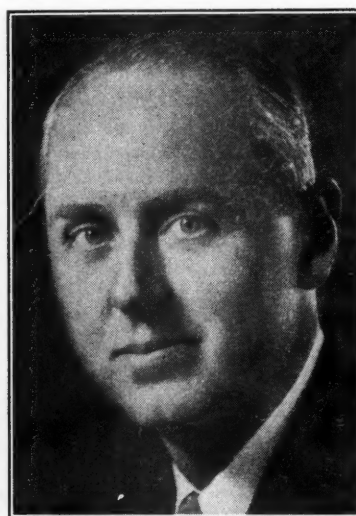
#### Tribute to Sullivan

CONCORD, N. H., Jan. 14.—Governor H. S. Bridges of New Hampshire, who retired to become United States senator, paid a compliment to Commissioner Sullivan in his farewell address to the legislature. He referred to Commissioner Sullivan, who has served for 13 years, as having carried on "one of the most efficient administrations in the United States," and continued: "The importance of the insurance department has increased with the years. Through it the state has established standards of service and equity to both the companies doing business in the state and to our people."

## Direct New Agency Program



JOSEPH C. BEHAN



CHESTER O. FISCHER

The Massachusetts Mutual Life has adopted a new plan of agency organization which will be directed by Vice-presidents Joseph C. Behan and Chester O. Fischer.



# Congratulations!



**HORACE RUSSEL SMITH**  
*Houston, Texas*

*to the new*  
**PRESIDENT**  
*of the*  
**1937**  
**JULIAN PRICE**  
**CLUB**

**T**HE highest honor which the Jefferson Standard Life Insurance Company can bestow on one of its field agents—the presidency of the Julian Price Club—goes this year to Horace Russel Smith, Manager of our Houston, Texas, Agency.

Some idea of the magnitude of this distinction can be gained from the knowledge that membership in the Julian Price Club requires at least two years of service; a consistently large paid-for production and a high renewal percentage. These are not the qualifications for the presidency of the club, mind you, but are qualifications for club membership. The President of the Club is selected as the most outstanding man of this hand picked honor group.

A glance at Mr. Smith's record will show why he so richly deserves this distinction. Since coming with Jefferson Standard in 1931, he has had a record of constant, steady, whole-

some progress—building his business upon the sound foundation of satisfied policyholders. Thus it is not surprising but is none the less remarkable that, during 1936, Mr. Smith turned in a perfect renewal record on \$205,000 business during the year just closed.

This hustling Jefferson Standard representative has made this brilliant record in addition to efficiently handling all of his duties as Branch Office Manager. Moreover, his Houston, Texas, Agency has the reputation in Company circles as being the "Fastest Growing Agency."

For demonstrating convincingly sterling qualities of leadership, salesmanship and executive ability and, most of all, on the basis of a wonderful 1936 record, we are proud to name Horace Russel Smith as President of the Julian Price Club for 1937!

We Have Splendid Openings for Men Like Horace Smith



## Jefferson Standard Life Insurance Company

**JULIAN PRICE, President**  
**GREENSBORO, NORTH CAROLINA**

**A. R. PERKINS, AGENCY MANAGER**

## Russell Considers Current Trends at Cleveland Meet

### TRIBUTE TO AGENCY FORCE

#### Security Mutual President Sees Increase in Interest Rates—Quality Business Is Imperative

Frederick D. Russell, president of the Security Mutual Life of Binghamton, stressed the importance of the agency system before the Cleveland Life Underwriters Association's January meeting. He described the agent as the keystone of the insurance arch and said he did not believe there would be over one-tenth of the insurance in force if the agency system had not been used. Abolishment of such a system would cut the cost of operation, but how many would buy? Cases were cited in which organizations had offered insurance without the service of agents, believing that people would come in voluntarily. Their volume was decidedly low and their operations consequently unsuccessful.

#### Higher Interest Predicted

Despite the low interest rates at present, Mr. Russell said it is reasonable to expect they will go up in view of improving business conditions. The decline in interest will in no way affect the solvency of any well managed company. Insurance companies have always been protected by their diversification of investments, he said.

To answer talk of inflation, Mr. Russell advised agents to study the situation. Some people, he said, are holding off insurance purchases because of inflation talk. It behooves agents to get all the facts to meet arguments that arise. Death is certain while inflation is an uncertainty. The prospect who waits may not be able to take out insurance later. The balancing of state and national budgets, he said, is important to all business men.

#### Underwriting Profits Important

Mr. Russell emphasized the agent's responsibility in writing quality business. Underwriting profits are now more important since interest earnings are lower. One out of every 25 dying in 1935 had a policy in its first year with some company, which indicates some poor risks. Many times the agent knows more about his prospect than credit reports show. The agent shouldn't submit cases which are known to be poor risks.

"We must have volume and quotas but we should not get it at the expense of profits. Quality business is important," he declared.

"The insurance man is on a professional basis," said Mr. Russell. "Every insurance man is a career man if he wants to be. He is a social engineer who must analyze the needs of his clients and fill them properly."

#### Must Face Social Security

"Social security must be faced, for if the present act is declared unconstitutional, another will be created. The government has been pointed out as the logical agent to administer security and most people believe that the government has an obligation in taking care of the aged and disabled. As to true social security, we believe that life insurance is the best means to provide."

Mr. Russell explained the manner in which the social security act will work with percentage levies on salaries up to \$3,000 as the basis of income. Most people do not understand the amount they will receive based on salaries and length of time they have made payments. Some have been under the impression that they will get \$85 at age 65 regardless of what they pay in. Agents should be posted and know all the facts in order to explain the plan properly. There are some who have felt they would now be fully taken care

## President Fulton Testimonial



Seated left to right: E. I. Low, chairman of the board; President Fulton; William B. Stark, president, Home Life General Agents Association. Standing left to right: T. W. Callihan, Boston; Harry Jacoby, New York; V. W. Holleman, Washington; B. J. Weber, Buffalo; J. J. Gordon, New York; Leo Minuskin, Paterson; S. R. Whitten, New York.

NEW YORK, Jan. 14.—James A. Fulton's completion of 10 years with the Home Life of New York will be marked with a drive covering January, February and March, the last three months of Mr. Fulton's tenth year, the officers and executive committee of the general agents association have formally notified him.

"The nature of the testimonial," said W. B. Stark, general agent at Syracuse and the president of the general agents association, "will be three months of daily planned effort on the part of every agent along the ideas of clientele building, which has been so effectively encouraged and fostered by President Fulton during his service with the company."

#### Client Progress Record

It was explained to Mr. Fulton that each month during the first quarter every agent will endeavor to reflect through the company's client progress record the kind of effort and the type of selling for which President Fulton has striven in bringing life insurance selling up to a professional plane. The three months' effort will be climaxed by

a series of regional meetings to which will be invited every agent who has qualified with evidence of production and prospecting. The results of the three months' effort will be reported to Mr. Fulton, who will be a guest at the meetings.

Besides Mr. Stark, those who participated in the notification ceremony in Mr. Fulton's office included General Agents T. W. Callihan, general agents association vice-president, Boston; J. J. Gordon, executive committee chairman, New York; V. W. Holleman, Washington; Leo Minuskin, Paterson; B. J. Weber, Buffalo; and S. R. Whitten, Jr., New York. Executive committee members unable to attend were Ray Martin, St. Louis and Frank Friedler, New Orleans.

Harry Jacoby, New York City, the first general agent appointed by Mr. Fulton, was selected to define the objectives of the testimonial plans. Incidentally, Mr. Jacoby heads the company's largest agency, which closed the year with the largest paid volume of any one of the company's 53 general agencies.

## Declaration of Principles Is Issued by National Body

The National Association of Life Underwriters will soon have ready copy of its "Declaration of Business Principles" for life agents, in two colors. It has been approved by the board of trustees and the national council. This replaces the code of ethics adopted in September, 1918. It is expected that it will be widely used by individual members and the local associations in connection with their public relations and their initiation of new members.

Another document is being promulgated entitled, "The Life Underwriters Code of Ethics," which is intended to serve other purposes than those by the "declaration." It is designed to be carried in the agent's portfolio and used in local association advertising.

Joseph Wertheimer of Wertheimer & Wertheimer, general agents of the Travelers in St. Louis, started with the company in 1912 and in 1915 was joined by his father, J. J. Wertheimer. This therefore is the 25th year that Joseph Wertheimer has been with the company.

## Unemployment Insurance to Help Disability Companies

### J. M. POWELL GIVES VIEWS

#### Social Security Provisions Here to Stay —Warns Against Possibilities of Federal Health Cover

BOSTON, Jan. 14.—The effect of the social security act on accident and health insurance was reviewed by President John M. Powell of the Loyal Protective in a talk to the Boston Life & Accident Claim Association. Social security legislation is probably here to stay, although the present plan may be modified, he said. This is especially true in regard to unemployment insurance as business has not been able to fathom this problem. The social security act will make people more income conscious and impress them more fully with the importance of protecting that income, said Mr. Powell. It should reduce the lapse rate on accident policies during periods of unemployment, which will enable the companies to keep a larger volume of business on the books. It should also prevent an abnormal increase in requests for benefits during unemployment, which was experienced particularly in 1932.

#### Questions Old Age Section

Mr. Powell questioned the wisdom of the old age section of the social security act, calling attention to the tremendous reserve involved. It is necessary that insurance men keep alert to developments along social security lines. Chairman Winant of the Social Security Board has stated that the purpose of the social security act is to supplement the activities of insurance companies. Although this is a commendable attitude, it may be changed in a few years.

According to reports, a health insurance bill may be introduced in Congress, said Mr. Powell. The last congressional bill of this type sought to place the government in direct competition with private companies. Private business should be encouraged in its efforts toward social progress and not discouraged. The accident and health companies have been developing along sound lines and should be permitted to continue, Mr. Powell said. "We must be able to show why the business should not be conducted as efficiently by the government as by private interests." If medical service is standardized under governmental programs there is a possibility that the medical profession which has shown decided advancement in the past may be hindered under political influence, said Mr. Powell. By the system of private insurance fraudulent claims are kept down to a very low percentage. "But what would happen if claims were to be handled through an organization consisting primarily of political appointees?" Any health insurance at all would be an entering wedge which could easily extend to cover the entire field, declared Mr. Powell.

## Hear Holcombe in Pittsburgh

John Marshall Holcombe, Jr., manager Life Insurance Sales Research Bureau, will speak at a breakfast meeting of the Supervisors Club of Pittsburgh Jan. 21 on "The Problem of Supervision of Agents." At 12:15 he will be heard at a luncheon meeting of the Agency Committee, composed of general agents and managers, on "The Life Insurance Bureau's findings on Present Day Recruiting of New Personnel." The Pittsburgh Life Underwriters Association will sponsor the luncheon.

W. J. Arnette, Los Angeles, California, manager Fidelity Mutual Life, visited San Francisco, conferring with J. M. Mitchell, assistant manager in charge of Northern California.

H. Clay Johnson of the Interstate Life & Accident, son of President J. W. Johnson of that company, is chairman of a membership drive for Chattanooga's Junior Chamber of Commerce.



## New York Tells Attitude on Moratorium Subject

### LEGISLATION NOW SPONSORED

Insurance Department Points Out the Course It Feels the State Should Now Follow

NEW YORK, Jan. 14.—The New York department in its preliminary report in dealing with its guaranteed mortgage program and title insurance comments on the mortgage moratorium, saying that the moratorium on the foreclosure of mortgages continues to have an important bearing on the guaranteed mortgage situation and incidentally on the fortunes of many other types of institutions with which the department is concerned.

The report says there is general agreement that it would be disastrous to lift the moratorium suddenly. As between the continuation or the repeal of the moratorium, the New York department asserts it is unqualifiedly for continuation for yet another year. While the real estate situation has shown improvement during the past year a blanket repeal of the moratorium at present would work a great hardship on a large number of property owners, says the department. It is thought by many that the limitations of deficiency judgment should be continued as the permanent policy of the state and not merely as an emergency measure.

#### Must Be Taken Down Eventually

The department declares that the moratorium must be taken down eventually and the only question is when and how. The opinion seems to be unanimous, it declares, that it should not be taken down on small mortgages this year. As to large mortgages, there is a diversity of opinion. The department says that Senator Joseph's suggested plan, which in effect would compel amortization is interesting and looks in the right direction. If as a nation people had been accustomed to amortizing mortgages in the past the continuation of the moratorium would not be of such vital importance, observed the department.

#### Don't Want Real Estate

The large lending institutions such as savings banks and life companies have no desire to acquire any more real estate. They have too much already. The department declares that they will deal thoroughly and honorably with owners of such properties whether there is a moratorium or not. The moratorium is largely for the protection of the exceptional case where there may be some unusual circumstances.

The department states that it would seem doubtful if the extension of the moratorium on large properties very much longer is justified in view of the fact that comparatively few would be harmed by removing the restrictions. The department asserts that it is its recommendation that when the New York legislature decides that it is time that the moratorium be taken down, during the first year it might be possible to remove the moratorium against mortgages of upwards of \$100,000, next year those of upwards of \$50,000 and finally if the emergency is past to remove the moratorium altogether.

#### Federal Life Conference

The Federal Life of Chicago held its annual regional conference for agents from Illinois, Indiana, Minnesota, Missouri and southern Michigan Thursday of this week in its home city. The meeting was in charge of Vice-president George Barmore. Addresses were given by President Isaac Miller Hamilton, Executive Vice-president L. D. Cavanaugh and others. Stan Witowski of Scranton, Pa., was the leading producer last year.

## Palmer's Chief Aid



ROY L. DAVIS

Roy L. Davis, a prominent life insurance man and insurance educator of Chicago, has been appointed to the post of assistant insurance director of Illinois. This post has never before been filled.

### Harrison Resumes Old Post As Georgia Commissioner

ATLANTA, Jan. 14.—W. B. Harrison was sworn in as comptroller general and insurance commissioner of Georgia as one of the first official acts of the newly inaugurated governor, Ed. D. Rivers.

He was appointed comptroller general and insurance commissioner in 1929, having previously been assistant to General W. A. Wright, who served for many years in that capacity. Mr. Harrison was reelected for a two-year term in 1930 and again in 1932, remaining in office until March, 1936, when he was removed from office by Governor Talmadge for his refusal to pay out state funds without appropriation bills. He was reelected to his old post last fall, resuming office Saturday.

Rance Wright, deputy commissioner, a son of the former comptroller, will continue in that post.

#### National Life in Hartford

The National Life of Vermont in Hartford doubled its 1936 production during 1937 principally through the efforts of men who have been connected with the agency in both years, but with the aid also of two new men. Two men in the agency qualified for the National Life's special achievement award granted for the writing of fifty or more lives during 1936. They are Albert C. Petersen and Eric Gustafson. Harold Smyth took charge of this office as general agent March 15, 1936. He was formerly in New York City.

#### Rename Benesch in Ohio

Governor Davey of Ohio was inaugurated Monday for his second term and announced that present members of his cabinet would remain, including A. A. Benesch, secretary of the department of commerce, under which the insurance division operates. The governor has stated he will try to get along for the coming two years without new taxes. He has urged that local political subdivisions endeavor to finance themselves to a larger extent, thus freeing state funds for state purposes.

#### Group Millionaires President

Cecil Frankel of Los Angeles has been elected president of the group millionaires club, an organization composed of agents of the Equitable Life of New

## THE WEEK IN INSURANCE

**Elimination of interest guarantees** considered as possible remedy for growing complexity of long-term settlement agreements. **Page 1**

**Nonparticipating rate increases**, policy changes effective March 1 announced by Aetna Life, Travelers and Connecticut General. **Page 1**

**James S. Kemper** becomes chairman of the insurance division of the Illinois chamber of commerce and H. A. Behrens of the Continental Casualty, chairman of the executive committee. **Page 20**

**Effect of social security act** on accident health insurance considered by J. M. Powell. **Page 6**

**Pacific Mutual Life agents** in a number of states meet in Chicago. **Page 17**

**New York department's position** on mortgage moratorium issue given. **Page 4**

**Executive Vice-President A. J. McAuliffe** of the Lincoln National Life, in

a talk before general agents, analyzed present conditions confronting the company. **Page 3**

**Big decrease in lapsation** for past year is reported. **Page 2**

**Pension trusts** featured at advanced underwriting clinic of Northwestern Mutual Life regional convention. **Page 3**

**Massachusetts Mutual Life** outlines plans for agency department setup. **Page 4**

**Agents are employees** under the social security act, according to a digest made by H. B. Thompson, general counsel for the Associated Life General Agents & Managers of Detroit. **Page 4**

**Tentative program** for A. L. C. Financial Section mid-year meeting at Palmer House, Chicago, Feb. 22 is announced. **Page 4**

**Serious shortage of skilled salesmen** in business generally likely to make recruiting of agents more difficult. **Page 8**

York. Those eligible are required to write \$1,000,000 or more group in any year. Mr. Frankel became a group millionaire in 1914 and for the last five years has had to his credit \$25,000,000 group insurance. Norman C. Strong of New York City was elected vice-president.

#### San Antonio Managers Elect

At the meeting of the San Antonio Life Managers Club, Paul C. Creamer, R. C. Lowe, and Walter S. Symonds were elected president, vice-president, and secretary-treasurer, respectively. Directors elected were Elmer Abbey, Lucian Jones, J. L. Lawrence, T. R. Casey, and H. M. MacGregor.

It was suggested that the programs be devoted to the discussion of agency problem and that the managers should lead in the study and discussion of the

measures by which they have achieved the greatest degree of success.

#### Beesley With Fidelity Union

Ben B. Beesley, formerly supervisor for the Great Southern Life, has been appointed Austin, Tex., agency supervisor of the Fidelity Union Life of Dallas.

#### Holcombe to Give Talk

SPRINGFIELD, ILL., Jan. 14.—Members of the Managers & General Agents Club of Springfield will attend a dinner meeting here next Monday night. John Marshall Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, will speak on "Agency Problems." John L. Taylor, president of the club, will preside.

1937

Golden Jubilee Year

1937

Provident's 50th Anniversary Year opens auspiciously, for 1936 was closed with an ALL-TIME record in all Departments of the Company.

### GAIN OF LIFE INSURANCE IN FORCE

— \$19,405,854.00 —

...

Accident and Health Premium Income Over \$4,900,000.00

(A gain of more than three-quarter million)

To our loyal Fieldmen who made possible this all-time record for 1936, our sincere compliments.

PROVIDENT LIFE and ACCIDENT

INSURANCE COMPANY

CHATTANOOGA, TENNESSEE

## Shortage of Salesmen Acute, Likely to Hinder Recruiting

### SEEK YOUNG COLLEGE MEN

**Most Businesses Cut Staffs Drastically in Depression, Now Find Training at Premium**

NEW YORK, Jan. 14.—Life companies which are turning to young, college-trained men as the best source of recruits may find themselves in spirited competition with other lines of business because of a serious shortage of skilled salesmen generally. This shortage was pointed out by Walter A. Lowen, New York City placement specialist, at a meeting of the Sales Executives Club this week.

Most sales organizations, he said, cut their sales forces to the bone during the depression and although the bottom of the depression was reached in 1932, relatively few firms began then to rebuild their sales personnel. There is a marked preference for younger, college trained men, he said.

#### Put Applicants at Ease

In answer to the question as to what advice should be given in hiring salesmen, Mr. Lowen said that the interviewer should plan his questions and conduct the interview so as to put the applicant at his ease, placing the conference on an informal basis, for example, by making some humorous remark or offering the man a cigarette. The applicant's point of view and attitude toward his work should be drawn out as quickly as possible, Mr. Lowen said, as these will be very important in his success. If the sales manager decides that he does not want the man, he should nevertheless keep him friendly, while if he does want to hire him, he should sell the man on the company and its product as thoroughly as possible, as most men are interested in the opportunity and the sort of men they will be working with, with immediate compensation taking a third place.

## Atlanta Life Producers to Meet for Three-Day Session

The Atlantic Life will hold its annual producers convention in Hollywood, Fla., Jan. 17-20, with an expected attendance of more than 100. President A. O. Swink will be presented a watch in recognition of his 30 years with the company.

Other awards will be made for completion of periods of service ranging from five to 20 years, which will go to 22 field representatives. Agencies at Newark and Detroit jointly won the silver cup given annually by the president to the agency having the best renewal ratio for the year. The cup is in competition until won by an agency for a second time.

Fifty men and women have qualified for membership in the company's Aces Club, a larger number than last year, and 10 representatives have doubled the production requirements, thereby being entitled to bring their wives to the meeting as guests of the company. The Leaders Club, in which are numbered the largest producers, includes these 10 and three others. These leaders will receive special watch charms in recognition of their good records.

### H. P. Cooley Resigns

Harold P. Cooley, who has been agency director of the Moore & Summers agency of the New England Mutual in Boston, has resigned. Mr. Cooley has not announced his future plans. He has served as president of the Boston Life Underwriters Association and is well known as a contributor of life insurance sales plans to insurance publications.

## Industrial Probe Demanded in N.Y.

(CONTINUED FROM PAGE 2)

especially industrial, would be demanded. Last year a measure was introduced in the Massachusetts legislature and dragged along without being acted upon. The apparent injustice of charging higher insurance rates to those who can least afford it makes the weekly premium field a tempting one for investigators. It is easy to overlook the fact that the buyer of small means, no matter what he purchases, pays relatively more than the man who can go into the market on a volume basis. It is also easy to forget that while outmoded mortality tables may be used as the basis for rates, dividends take care of any supposed inequalities.

Since by far the greatest volume of industrial business in New York state is on a mutual basis, all the money that is taken in and is not used for expenses or to build up surplus must go back to policyholders in one form or another.

## Deal for Sale of Atlantic Life Has Been Completed

(CONTINUED FROM PAGE 2)

consisting of Thomas W. Purcell, Edmund A. Saunders and Andrew D. Christian, acting for the investment concern. More than 6,675 of the total of 10,000 shares of stock have been acquired at a price of \$175 per share, less \$4.75½ for commissions and cost. Stockholders who have not thus far taken advantage of the offer at that price may do so up to Jan. 25.

It is the intention of the purchasing corporation to build up the Atlantic Life and to continue operating it as a Richmond concern, according to R. Heber Smith of Boston, president. No substantial changes in personnel are contemplated at this time, he says. The next annual meeting of the Atlantic is scheduled for Feb. 14. The company was established in Richmond in 1900 and has grown to be one of the big enterprises of Virginia and the south. At one time, stock of the company sold at more than \$500 per share. It was selling at \$65 per share a few weeks ago. Control of the company was acquired about ten years ago by Angus O. Swink and associates with the result that Mr. Swink, a hitherto large personal producer for the company, became its president. He is still the head of the company.

#### Bankers National's Statement

At the home office of the Bankers National Life it was said by one of the officials that despite the similarity of names and the fact that Reginald H. Smith of Boston, president of the Bankers National Investing Corporation, which is buying the Atlantic Life, has been a director of the Bankers National Life since its organization, the Investing Corporation owns no interest, directly, or indirectly, in the Bankers National Life, or vice-versa. The Bankers National Holding Company, owner of a two-thirds interest in the Bankers National Life, was dissolved a few years ago and its assets transferred to the Beneficial Loan Association of Delaware.

#### HOPE TO FIND PURCHASER

BOSTON, Jan. 14.—R. H. Smith, Boston attorney, who is president of the Bankers National Investing Corporation, discussing its offer to buy the Atlantic Life, says it was based on the apparent attractiveness of the proposition as an investment, and the belief that the company has excellent opportunities which have not been developed.

"One of our directors was also a director of the Atlantic Life," states President Smith, "and our attention was thus called to the proposition. Apparently a considerable number of stockholders of the company had bought their stock at the peak and were not satisfied with the

dividends they were receiving and were anxious to sell. We became satisfied that the company had an excellent reputation, and that it had possibilities of doing a good business in the south and we were willing to do what we could to help it along. We are acting only for the Bankers National Investing Corporation and no outside interests are concerned in this purchase. We hope to find a purchaser for the company, however, and are prepared to carry on until that time comes."

## Better Recruiting Seen Among Youths

(CONTINUED FROM PAGE 2)

far and the chances are that as business improves he will be more secure in his tenure of office.

Likewise, the man just out of school or college is usually in no rush to make up his mind as to just which field of activity he will enter. He wants to be sure his choice is a wise one, that he is going into something he wants to do and is fitted for. Of course, if he can't make up his mind or can't get a job that he likes, and remains idle for six months or a year, his situation begins to get more like that of the unemployed man who has left a job or been discharged. He becomes willing and even anxious to take any kind of job that promises an income, even though it may be temporary. This kind of potential recruit must be eyed askance for the same reasons as if he were unemployed for any other cause.

#### Changeover Is Salary Problem

One problem in connection with paying salaries to young men is that when they switch from the salary basis to straight commissions as they usually do anywhere from a month or so to a year after being inducted, they are no better off except as to contacts and experience than they would be if starting cold. They have no renewal interest in the business they wrote while on salaries, and the size of the compensation paid during those months is not such as to allow them to accumulate much of a reserve.

One company which is experimenting with salaries is trying an arrangement whereby the new man has a modified renewal interest in business which he wrote while on a salary. This tends to help tide him over and give him the prospect of other income than his commissions. This plan has been in effect only a short time so it is not yet known how completely it will take care of the transition from salary to commission. However, it appears to be very favorable to the agent operating under it.

## Three Companies Raise Nonpar Rate

(CONTINUED FROM PAGE 1)

quire no other modification of existing values, he stated.

There is a slight increase in five and 10 year term rates, but no change in term expectancy. The 15 payment 20-year endowment and endowments maturing at ages 50, 55 and 70, have been eliminated as production on these forms has become negligible. The elective annuity contract has been changed by modifying the income of the annuity options. The instalment refund annuity will replace the cash refund annuity both as a contract of original issue and in trust agreements. No other changes are being made in the annuity department, he said.

The Aetna Life's announcement shows in addition to the new non-participating life rates a new 10 year term plan, new participating retirement annuity rates and changes in policy forms. The non-par rates in general are somewhat increased but no change has been made in rates for the "double protec-

tion" plan, nor is there change in the single premium rates for annuities. There is only a slight increase in rates on term plans at younger ages and no increase at older ages.

The new 10 year term plan is non-participating and non-renewable, but is convertible within eight years. The converted policy may be rated for the age then attained by assured or may be dated back to original issue and rated original age provided difference in premium with 6 percent interest is paid at time of conversion. The Aetna has discontinued its seven year term plan.

New maturity values in connection with life income plans, in which increased rates are accompanied by substantial increase in non-forfeiting values and maturity values, are:

Table of Maturity Values

Maturity at Age	Maturity Values per \$1,000	
	Male	Female
50	\$1,941	\$2,094
55	1,747	1,901
60	1,556	1,708
65	1,337	1,519
70	1,218	1,343

The value of the income at maturity is now computed at 3 percent instead of 3½ percent interest as heretofore. These policies written hereafter will provide that income during the 100 month certain period will be increased by excess interest as declared.

The new rate book effective March 1 shows that whereas in the past when a deferred endowment policy was written payable in instalments the premium charged was for an amount of insurance equal to the computed value of instalments at 3½ percent interest; the computed value will be computed at 3 percent interest. These policies, however, will provide that instalments will be increased by excess interest as declared.

#### Using 3 Percent Factor

For New York state only the Aetna announces that on non-participating family income policies and monthly income forms, on which proceeds are payable in instalments, commuted value of these instalments also will be based on 3 percent interest plus excess interest.

Cash values on the retirement annuity plan are unchanged, but amounts of retirement annuity purchased for \$100 annual premium have been somewhat reduced.

The Aetna has revised all its non-participating policy forms, the changes being made to make the forms conform to changes outlined above. New values are found in table C of the settlement option, these values being identical with values now used in the participating policy form adopted Jan. 1.

### Wiese Agency Increase

The Raymond J. Wiese general agency of the State Mutual Life in Chicago, which celebrates its eighth year in the business on March 1, ranked tenth during 1936 among the 52 agencies of the company. It is the newest of the 10 leaders, the next youngest being at least 20 years old.

The agency reported a net gain in business written of 42.32 percent over that of 1935. Persistency rate was among the highest listed.

The gain of business in force was 18 points ahead of the company average, while the lapses were less. The face of policies sold was double that of the company's average.

The agency has a staff of 15 producers and has never had a large turnover, although borderline men were weeded out. Mr. Wiese started his office from "scratch," going there from Davenport, Ia. He was in the business for five years there before he moved to Chicago.

### Wofford Office in Gain

The H. L. Wofford agency of the Prudential in New York City has a paid volume of \$5,576,817 for the year, a gain of 2 percent over 1935. December business was \$582,963, a gain of 4 percent.



## Sales Records for Last Year Show Marked Gain

(CONTINUED FROM PAGE 1)

also reported by President Hoffman, together with a sharp increase in the size of policies being written.

"Instead of policies of \$500 and \$1,000, our past year's records show a large and increasing volume of policies for \$2,500, for \$5,000, and even as high as \$25,000. This reflects the better conditions of business generally throughout the country. Surrender values paid in 1936 amounted to only \$619,562, as compared with a 1935 total of \$921,568—another very favorable trend."

The report also showed further substantial gains in assets for the year, and in the liquidity of the company's investments. "Over 60 percent of the assets of the Yeomen Mutual Life are in cash, government, and municipal bonds," President Hoffman said.

### INDIANAPOLIS LIFE

A gain of \$5,010,871 insurance in force for 1936 with a total of \$100,767,129 is reported by the Indianapolis Life. December new paid business was the largest of any December in the company's history. New business for the year was materially ahead of 1935.

Mortality in 1936 continued very favorable, being only approximately 44 percent of the expected. Although the percentage of business renewing has always been favorable, it was the highest in 1936 for many years and probably the highest in the company's history. The ratio of paid business to applications written was also the highest for many years.

The Indianapolis Life has paid policyholders and beneficiaries over \$17,500,000 since its organization. Assets are the largest in its history. The increase in 1936 was over \$1,200,000, making total assets over \$18,400,000.

J. W. Schwab of Indianapolis stood first in paid business for the year. Paxton Matthews of Dallas, Tex., was second. The Matthews agency in that city led all agencies in paid volume. The George Anawalt agency in Indianapolis stood first in paid premiums and Mr. Anawalt led the field in paid premiums for the year. Tom O'Malley of Chicago was first in number of applications procured.

### GENERAL MUTUAL LIFE

With an increase in business in force of over 34 percent, the General Mutual Life of Van Wert, O., in 1936 had its best year. Founded in the depth of the depression, this company has shown increases in insurance in force each year. Premium income for 1936 was ahead 47 percent.

Assets as of Dec. 31 gained 33 percent and policyholders' surplus increased 37 per cent. First mortgages on improved real estate comprise 38 percent of admitted assets. Since the company was organized in 1930, these are necessarily based on conservative values for the properties. Over 26 percent of assets are invested in government bonds.

"Under the direction of C. E. Lindemann, superintendent of agencies, a new general agency force has been established," reports C. M. Purmort, president. "With this active nucleus and the extension of territory which is contemplated, the company anticipates a much larger increase in business in 1937."

The General Mutual Life is a running mate of the Central Manufacturers' Mutual Fire.

### Budinger Agency Leads

For the second consecutive year, the F. J. Budinger agency of the Franklin Life at Chicago led all of the agencies in paid business for 1936. The agency showed a substantial increase over its 1935 business and has shown an unusual record in assisting its agents to increase their individual production over last year.

## INDUSTRIAL

### John Hancock Not Deducting

BOSTON, Jan. 14.—The John Hancock Mutual Life is not deducting from agents commissions the contribution for old age pension benefits under the federal social security act. Some of the industrial companies are doing so. John Hancock states that it will deduct the tax from agents' commissions "when and if the government orders."

### Burton on Agency Tour

A. M. Burton, president of the Life & Casualty, Nashville, started his annual tour of company districts in 13 states this week. His first stop was to be Chattanooga, where C. T. Yates is district manager.

### To Honor Ordinary Producers

Field men of the Interstate Life & Accident, Chattanooga, who produce a \$2,000 monthly average of ordinary from Jan. 1, 1937, through Sept. 30 will receive special recognition at the company's annual convention in Memphis in October. Frank Sutton, manager of the ordinary department, will be host to the qualifying group.

### London Life Changes

The London Life announces the following changes in its industrial branch: R. H. Freeman, formerly city manager at Toronto main branch, appointed in charge of Toronto Yonge agency; S. Shergold, city manager at St. Catharines, Ont., has been transferred to Toronto main branch; City Manager J. M. Straton, of Sherbrooke, Que., assumes the direction of St. Catharines agency.

### Industrial Notes

P. A. McDonough, who was manager of a Metropolitan Life agency in St. Louis for 17 years prior to his retirement six years ago, died at his home after several months illness.

J. R. Balbach has been named as assistant manager for Metropolitan Life in Portland, Ore. He has been with the agency since March, 1933, and has been one of its leading producers. He will assist Manager I. E. Herwin.

## PERSONALS

Dr. Charles D. Alton, connected with the Connecticut Mutual for 60 years, died in Hartford of a heart ailment. He went to the Connecticut Mutual in 1876 as an adjuster, two years later becoming medical referee, which position he held until his retirement in 1936, when he was senior official in service as well as age. Dr. Alton was well known for contributions to insurance medicine, in which field he was a pioneer. He conducted surveys of occupational hazards in coal, glass and other industries.

Vice-president G. E. Bulkley and T. W. Russell, Hartford general agent of the Connecticut General Life, were honored at a luncheon there, having completed 40 and 35 years respectively with the company. A number of home executives and agency men attended.

R. J. Wiese, a general agent of the State Mutual Life in Chicago, accompanied by Mrs. Wiese and their three sons, has returned from a three weeks vacation spent in Florida. Highlight of the trip was the catching of a large sailfish after an hour's battle.

Agents and office employees of the New York Life in Little Rock, Ark., entertained with a stag dinner, honoring S. J. Felton, agency organizer, who has been promoted to agency director in the Nashville, Tenn., office, with super-

vision over western Tennessee and seven counties in Virginia. Howard Conley, inspector of agents for the south-central department, presided.

Heber J. Grant, president of the Beneficial Life of Salt Lake City, who is also founder of the Heber J. Grant & Co. general agency and the Utah Home Fire, was guest of honor at a luncheon of the Deans Club, composed of a number of outstanding life insurance men of the city who have been actively identified with the business as agents or general agents for many years. John D. Spencer, veteran New York Life agent and life insurance sales instructor, is president of the club.

Mr. Grant, who entered the insurance business as a life agent as a youth 65 years ago, told of his early experiences in selling life insurance in Salt Lake City. He is still active in business. He is also head of the Mormon Church.

John J. Valentine, unit manager of the A. W. Carne agency of the Equitable of New York in San Francisco, has just celebrated his 25th wedding anniversary.

### Havana Cruise Convention

The agency convention of the Scranton Life is to be in the form of a cruise on the steamship Statendam of the Holland-America line, sailing for Havana March 18. One or two business sessions will probably be held aboard ship.

### Plan Big Boston Trust Meeting

An all-day session of the Boston Life Insurance & Trust Council will be held Feb. 18. Speakers will include W. R. Williamson, consulting actuary Social Security Board, Washington, on the workings of the social security act, particularly as it pertains to pensions; E. C. McDonald, assistant secretary Metropolitan Life, on "Company Pensions," and D. B. Maduro, counsel of the Life Underwriters Association of New York,

and consultant for the Central Hanover Trust Co. of New York, on "Private Pensions."

## Stowell Agency Annual Meet

Central New Jersey Branch of the Provident Mutual Had Gathering at New Brunswick

The central New Jersey agency of the Provident Mutual, at New Brunswick, N. J., held its annual meeting on Jan. 9. Addresses by members of the agency, visiting general agents, and home office officials featured the sessions.

J. W. Edgerton, president of the agency association, acted as chairman and struck the keynote with an inspirational address. F. W. McCall, secretary-treasurer of the agency, followed on the program.

Bert H. Stowell, general agent, outlined his plans for 1937 and presented a sword of victory to Boyd M. Oglesby, the general agent at Harrisburg, whose group had captured first place in the contest with the New Brunswick agency. Alex F. Gillis, general agent for northern New Jersey, then talked on the opportunities in life underwriting.

Addresses by N. A. White, advertising manager, on the attitude of the prospect and D. A. Hampton, assistant manager of agencies, on the 1937 merchandise of the Provident Mutual concluded the meeting.

Clyde L. Baer, the leading agent for 1936, attended the meeting in company with his general agent, Mr. Gillis. At the election of officers of the association, F. Lamar Watson was made president, R. G. Terry, vice-president and W. A. Ambler, secretary-treasurer.

H. R. Fletcher has resigned as captain in the Indianapolis police department to become secretary of the Police & Firemen's Insurance Association.

## Quality Business

In its efforts to secure quality business Protective Life rewards its agents in various ways. Among these are:

1. 5% additional commission where the full annual premium accompanies the application.
2. Extra points in contests for "Cash with application" business; and prize awards for paid business only.
3. A "persistency bonus" to agents good renewal ratios.
4. 5% additional commission on larger than average policies.

Agents are constantly advised and encouraged to solicit business among people whose occupations show them to be in the higher brackets of persistency.

**Protective**  
LIFE INSURANCE CO.  
BIRMINGHAM, ALABAMA.  
S. F. Clabaugh, President

## EDITORIAL COMMENT

### Agents and Social Security Act

It now seems to be the fixed policy of the INTERNAL REVENUE BUREAU at Washington to count insurance agents working on purely a commission basis as independent operators so far as complying with the social security act is concerned. This, therefore, means that they are not regarded as company employees in the setting up of funds for old age pensions and employment insurance. The bureau is not making a mass ruling, so to speak, but will take up cases individually where there is any dispute. Naturally where an agent is on a salary basis there is no question as to his status. He is a company employee. There are various features that may come into a particular case that will cause the department to make a separate ruling. There has been much confusion as to just what the INTERNAL REVENUE DEPARTMENT would do but in classifying agents into two groups it serves to draw at least a line of demarcation. The agents and solicitors operating on a commission basis not sub-

ject to direction by employers are not compensated on the same basis as those working for "wages."

However, agents themselves must give a strict accounting of their own employes under the terms of the social security act because they are employes of the agency and subject to the provisions of the act.

Some of the life company officials might welcome the opportunity of having an amendment to the law so that agents working on a commission basis would be included in the old age pension plan. The fire and casualty companies would not welcome such an amendment. Life agents, however, work for a single company and are more closely affiliated with the corporation than fire and casualty representatives. A life agent, therefore, is on a somewhat different basis in his relationships. Many life company officials would be delighted to see some form of compensation arranged for old age pensions for their agents.

### Mr. Klocksins's Annual Review

ONE of the annual features in the insurance papers that always attracted attention was the review of the year of the late HENRY F. TYRRELL, legislative counsel of the NORTHWESTERN MUTUAL LIFE. Fortunately his successor, CLARENCE C. KLOCKSIN has carried on this very helpful contribution. Insurance newspaper writers usually review the year

but the outsider, so to speak, has an insight and view that the professional writers may not possess. Mr. KLOCKSIN in his comment touches many points and gives a kaleidoscopic view of the year in its most moving and vital scenes. He is a penetrating observer and writes with a ready pen, so his views are factual and interesting.

### Proposed New York Investigation

STATE SENATOR ELMER F. QUINN is asking the New York legislature to investigate life companies, particularly those doing a weekly premium business. His action places the life companies in a difficult position. An investigation such as Senator Quinn proposes can do the business no good and may do it some harm, no matter how meagre its findings may be. Yet if the companies protest too strongly against the proposed probe, the assumption is likely to be that they have something to cover up.

Investigations are always unsettling to a business but if there are genuine evils which need correcting and cannot otherwise be cured, the temporary disturbance is more than offset by the eventual benefits.

The trouble with investigations is the feeling that they have to be made to justify themselves. It may be that there was once an investigation committee

which did its work in a quiet, unspectacular manner and then publicly announced, "There really was nothing in the situation to require an investigation," but it seems improbable. The committee members, and particularly the bright young attorney who has been engaged as counsel have reputations to make and no one likes to seem to be engaged in a wild goose chase, even though he soon finds that his activity is nothing else.

The tendency is rather to blow up minor incidents until they emerge in headlines of a size satisfactory to the investigators. Because of the technical nature of insurance, it is easy for a prosecutor, through ignorance or excessive zeal, to draw all sorts of sinister inferences from facts which can be properly understood only with a good deal of intelligence and patience. These explanations have in them much less of the drama which the public likes than

have the accusations of the investigators' counsel.

Senator QUINN's resolution stresses the out-of-date mortality tables used by life companies, apparently overlooking the fact that dividends take care of the excess premium charge and that these dividends constitute a desirable margin of safety. He also emphasizes the "inordinately high" cost of insurance, overlooking the fact that the bulk of the business done in New York state is done on a mutual basis and all money taken in by the companies goes back to the policyholders or their beneficiaries except what is absolutely necessary for expenses.

There is no escaping the fact that industrial business with its weekly household collection of premiums must inevitably cost more than insurance that is paid for on a quarterly or annual basis. It may appear unjust that the buyer who is least able to pay the higher price should have to pay more for what he buys because he can't buy in volume,

but this state of affairs is not confined to insurance. As Vice-president James F. Little of the Prudential pointed out some time ago, it costs more to buy coal by the scuttle than by the ton.

In view of the huge scale on which industrial companies operate, it would obviously require the uncovering and eliminating of some huge item of needless expense in their operations to make any perceptible difference in the cost of the policyholder's insurance. The chance that any such huge item of needless expense exists, with companies constantly under the supervision of state insurance departments, borders on the fantastic. What the investigators will find out, if there is an investigation, is exactly what they might have known to start with: that the policyholder who can afford to buy his insurance only on a weekly premium basis must expect to pay a higher cost than the buyer who pays his premiums less frequently and does not require the services of a household collector.

## PERSONAL SIDE OF BUSINESS

President A. Morgan Duke of the Commercial Standard of Dallas and Secretary W. C. McCord of the Gulf States Life, also headed by Mr. Duke, took time out to do some deer hunting in the Big Bend country of the Texas-Mexican border section. They saw plenty of does, but not a buck. However, turkey and quail gave the party all the hunting they needed.

Leo E. Thieman of Louisville, editor of the "Insurance Index," of which James E. Dunne is publisher, announces that he has severed his connection with the enterprise. Mr. Thieman was formerly secretary of the Louisville Board of Fire Underwriters and the Kentucky Association of Insurance Agents. He is a former daily newspaper man and at one time was connected with the old Casualty Information Clearing House of Chicago. Before joining the "Index" he was connected with the Kentucky insurance department.

In commemoration of his 40 years with the Northwestern Mutual Life, Burl D. Clement of the Columbus, O., agency was tendered a dinner in Columbus. In that time Mr. Clement has produced more than \$11,000,000 of business. About 100 attended. Short addresses were made by U. H. Poindexter of the home office, R. L. Bowen, Ohio superintendent of insurance, and his assistant, Raymond Rhoads. Messrs. Bowen and Rhoads are former Northwestern Mutual men. General Agent S. L. Youngquist was toastmaster. Mr. Clement received numerous gifts.

Commissioner O. B. Hunt of Pennsylvania was the speaker at the silver jubilee dinner of branch 1202 Ladies Catholic Benevolent Association in Harrisburg.

W. L. Hathaway, who recently retired as San Francisco manager of the Mutual Life of New York, left for an extended

vacation trip to Japan, accompanied by Mrs. Hathaway.

Dr. John B. Steele, Chattanooga, Tenn., medical director of the Volunteer State Life, sustained serious injuries when he was hit by an automobile while he was in a garage in that city. His right leg and right arm were fractured and he suffered from shock. His condition was reported as fairly good although he will probably be confined to the hospital for eight weeks. He was walking down a ramp when the machine hit him, the bumper of the car shattering the bone in his leg, while his arm was broken when he fell.

George Williamson, Nashville general agent for the Massachusetts Mutual Life for 15 years, died in a hospital there of injuries resulting from an automobile accident three weeks ago. He was hurt when his machine crashed into the rear of a street car. His widow and a daughter survive.

Officers and past presidents of the Life Underwriters Association of Northern New Jersey are planning a testimonial dinner to T. F. Keer of Newark, who retired Jan. 1, as one of the managers of the ordinary department of the Prudential. Mr. Keer was with the company 27 years and was the first president of the Newark association.

John R. Hardin, president Mutual Benefit Life, has been reelected president of the Essex Club for the 25th year.

Ernest E. Coderre, 46, manager Sun Life branch at Sherbrooke, Que., and widely known in insurance circles, died from an illness which developed during a recent visit to Providence, R. I., where he had spent the holidays with relatives. He had been manager of the Sherbrooke office of the Sun Life since



## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION  
PUBLISHED EVERY FRIDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

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Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



December, 1935. He was assistant manager of the Travelers from 1920 to 1929 in Montreal, when he joined the Sun Life. In 1930 he was made manager for North Bay, Ont., where he remained till appointed to the Sherbrooke post.

A Scotch greeting card, mailed at the 1935 Christmas season by **Rex Magee**, advertising manager of the Lamar Life, has been returned to him after traveling 62,000 miles. The message in Scotch dialect urged the sender to remail the card and save its 1 cent cost. Scotchmen in Hong Kong, Calcutta and South Africa received and relayed the card.

**Carroll C. Day**, Oklahoma general agent of the Pacific Mutual Life, has been elected a director of the Oklahoma City chamber of commerce.

**William Wheatley**, Denver agent of the Kansas City Life and all-American basketball star, who took part in the Olympic games at Berlin, was married to Miss Juanita Laughters at Hixon, Kan.

The American Conservation Company, 307 North Michigan avenue, Chicago, has now issued its "History of Life Insurance," which has been compiled from approved sources by Terence O'Donnell. It is largely a compilation of material which appeared originally in the "American Conservationist," house organ of the American Conservation Company but new subject matter has been added to round out the work and give it continuity. Book 1 has two chapters; book 2, 24; book 3, 9, and book 4, 9. The Armstrong investigation in New York, 1905, closes the history.

With the announcement that Larry Morrissey will be associated with the Phoenix Mutual Life agency in Davenport, Ia., as an agent under his father, **L. M. B. Morrissey**, general agent, father and son combinations in life insurance in Davenport now total four. Young Morrissey attended the University of Iowa and Notre Dame University.

The other father and son combinations include A. Olie Fersch, general agent State Mutual Life, and his son, Ellsworth Fersch; Carl LeBuhn, general agent of Massachusetts Mutual Life, and his son, Dick LeBuhn, and Joseph Hilbe, manager Guardian Life, and his son, Rader Hilbe.

**Louis F. Paret**, general agent in Camden, N. J., and in Philadelphia for the Provident Mutual Life, is rapidly recovering from a serious illness which caused him to remain in a Philadelphia hospital for six weeks. He is recuperating at Atlantic City. In all probability he will be back on the job within the next 10 days. Mr. Paret has been with the company for nearly 40 years.

**Ernest A. Adams** of Omaha, agent of the Guarantee Mutual for the last five years, is a member of Nebraska's legislature, first unicameral body in the United States. He was elected as a non-partisan.

Life insurance men are prominent in the **Davenport, Ia., Gyro Club's** new official staff. **Claude C. Duley**, Travelers, is president; **Carl Haagen**, purchasing agent Guaranty Life, vice-president, and **William Voss**, Guaranty Life, was reelected treasurer.

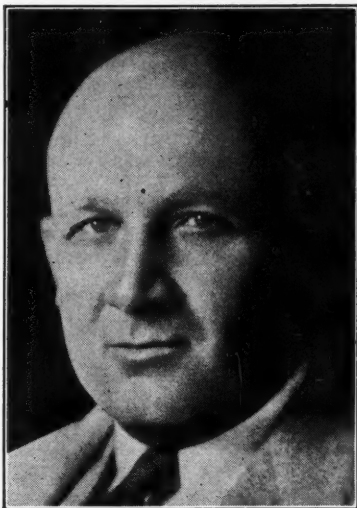
**Perry Pipkin** of the Aetna Life's Memphis agency is the nominee of the Memphis Junior Chamber of Commerce

#### ASSISTANT WANTED

General agent of large established agency desires assistant in Michigan territory to help train and supervise salesmen. Salary and commission basis. Reply stating experience. Excellent opportunity for promotion.

ADDRESS F-3, NATIONAL UNDERWRITER

## Commentator



A. J. McANDLESS, Fort Wayne, Ind.

Executive Vice-president A. J. McANDLESS of the Lincoln National Life in his talk before the general agents convention in Chicago made a very frank analysis of the company's situation and urged the boosting of average of smaller sized policies which will enable the Lincoln to go ahead without change in its premium rates.

for the 1936 civic award to the Memphian who rendered the greatest community service. His citation to the United States Junior Chamber of Commerce recounted his activities in civic affairs. Mr. Pipkin was president of the Memphis Junior Chamber of Commerce in 1928 and is now national vice-president.

**A. A. Higginson** of the Ream agency in Detroit of the State Mutual Life is one of Michigan's oldest active life underwriters. He celebrated his 80th birthday last week, and is on the job nearly every day. He entered the business in 1900 after having been a bridge engineer.

**Alma D. Katz**, Portland, Ore., is now dean of the 76 Mutual Life of New York managers in point of length of service in charge of an agency. He has been in charge in Portland since 1906.

#### A. L. C. Committees for Year Show Many Changes Made

Personnel of most of the committees of the American Life Convention for the year was announced by Col. C. B. Robbins, manager and general counsel. Many changes were made. The new chairmen of committees are:

Actuarial, L. D. Cavanagh, executive vice-president and actuary Federal Life, Chicago; agents and agencies, H. H. Armstrong, vice-president Travelers; aviation, Richard H. Kimball, president Volunteer State Life, Chattanooga, Tenn.; blanks, Wendell P. Coler, American United Life, Indianapolis, Ind.; departmental supervision, Isaac Miller Hamilton, president Federal Life, Chicago; finance, Julian Price, president Jefferson Standard Life, Greensboro, N. C.; grievances, P. K. Lutken, executive vice-president Lamar Life, Jackson, Miss.; investment and investment law, George A. Bangs, general manager American United Life, Indianapolis.

Membership, Lee J. Dougherty, president Guaranty Life of Davenport, Ia.; next annual meeting, Walter E. Webb, vice-president Hercules Life, Chicago; program, Harry R. Wilson, vice-president American United Life, Indianapolis; resolutions, F. L. Conklin, vice-president and general manager Provident Life, Bismarck, N. D.; taxes, F. W.

McAllister, general counsel Kansas City Life, Kansas City, Mo.; total and permanent disability, E. M. McConney, vice-president and actuary Bankers Life, Des Moines; under average lives, William M. Morris, actuary State Life, Indianapolis; uniform laws, Allen May, general solicitor General American Life, St. Louis; valuation of assets, Arthur Coburn, vice-president Southwestern Life, Dallas.

#### Webster to Equitable

Andrew C. Webster, actuary United States Life, has resigned to go with the Equitable Life of New York as superintendent of its underwriting department. He entered the life insurance business in 1917 in Scotland and became assistant actuary of the United States Life in 1929, and actuary in 1931. He is a fellow of the Faculty of Actuaries of Scotland and of the Actuarial Society of America and an associate of the American Institute of Actuaries.

#### Johnson Gets Atlanta Post

Henry C. Johnson, formerly district manager at Tampa, Fla., has been appointed agency manager at Atlanta by the Equitable Life of New York, succeeding H. T. Adams, resigned.

**H. M. MacGregor**, Southland Life, San Antonio—Production of December, 1936, was three times that of the same month for 1932, five times that of 1934, and twice that of 1935.

## Pacific Mutual "News" Comes Out in New Form

The Pacific Mutual "Field News" comes out in a new form with a brand new typographical appearance. The featured article in the January edition is a contribution from President A. N. Kemp, who reviews the events of the last four and a half months during which the company was in process of reorganization and was attacked by those who were opposing the so-called California insurance department or Carpenter plan. The Pacific Mutual is now under full sail and as Vice-President D. C. MacEwen says in his contribution to this issue, "We have a clear track ahead." Insurance Commissioner Carpenter addresses the field force. William Breiby, the New York City actuary, who was engaged by Commissioner Carpenter as actuary and adviser, states that it is his opinion and belief that the company has a strong financial position with adequate reserves.

#### New Minnesota Bill

A bill has been introduced in the Minnesota legislature prohibiting deficiency judgments in foreclosing real estate mortgages as recommended by Gov. Benson in his first message.

Order a new **Little Gem** life chart, \$2, from the National Underwriter.

# 50<sup>th</sup> YEAR

#### RESOLVED:

TO BE UNTIRING IN  
OUR EFFORT TO  
MAKE 1937 A HAPPY  
AND PROSPEROUS  
GOLDEN ANNIVERSARY  
YEAR FOR OUR  
REPRESENTATIVES.

# Bankers Life

INSURANCE

# Nebraska

COMPANY OF LINCOLN - SINCE 1887

## NEWS OF THE COMPANIES

### Provident L. & A. in 50th Year

#### Year-Long Program Planned in Celebration of Chattanooga Company's Golden Jubilee

Plans for a year-round program marking the 50th anniversary celebration of the Provident Life & Accident of Chattanooga include special insurance journal advertising, use of special direct mail pieces of various types, special anniversary seals and specially imprinted stationery, special newspaper advertising to acquaint Chattanooga with one of its oldest and most widely known institutions; illuminated bulletin boards on strategic approaches to the city, window displays, radio and other avenues of publicity. The schedule is arranged to reach its high peak in September, when several hundred field men are expected to win trips to the home office city for the largest convention ever planned by the Provident.

Speaking on behalf of the company

at a luncheon launching the anniversary plans were W. C. Cartinhour, vice-president and secretary; Robert L. Maclellan, vice-president and head of the life department; James E. Powell, agency vice-president and head of the accident department, who served as chairman and Bart Leiper, manager advertising and sales promotion.

Mr. Powell sounded the keynote of the meeting in presenting "golden opportunities for the golden jubilee year," bringing out the fact that this event is occurring just at the upswing in business generally and places the company in an unusually fortunate position. Mr. Cartinhour announced that 1937 presents somewhat of a severe challenge to the whole organization in that 1936 had proved such an outstanding production period, the best ever experienced in the Provident's history. Lapel buttons bearing the numeral "50" were distributed and are being sent throughout the field to be worn at the outset of the year by field men as a part of the anniversary campaign.

Intensive contacts with the field organ-

ization are being carried out by home office representatives, including President Robert J. Maclellan, Vice-president R. L. Maclellan, S. E. Miles, home office supervisor, and Mr. Powell. Agency meetings are scheduled throughout much of the company's territory.

The life department, headed by R. L. Maclellan, more than doubled insurance in force right through the depression years. This department was organized in 1917. J. W. Kirksey, vice-president, heads the group division of the accident department which numbers over 1,200 industrial concerns among its patrons. H. C. Conley, vice-president, heads the railroad division, which numbers more than half of all the railroads in the United States among its patrons. The commercial division of the accident department, headed by Mr. Powell, has representatives in 34 states and the District of Columbia.

### Will Work as a Single Unit

#### Continental Casualty and Continental Assurance New Plans Are Framed for Greater Coordination

Under the new plan adopted by the Continental Assurance of Chicago, running mate of the Continental Casualty, following the resignation of Vice-president and General Manager Glenn F. Claypool, the two companies will be operated more as a unit and under very close cooperation. President H. A. Behrens will give more personal attention to the administration of the Continental Assurance. Roy Tuchbreiter, vice-president, will be head of the production and agency department of both companies and thus they will be in close coordination.

Under the revised plan the agency department will be divorced entirely from the operating end. The office arrangements are remodeled so that Dr. H. W. Dingman, vice-president in charge of the medical and underwriting department, will be near Vice-President and Actuary R. E. Moyer, who will have charge of the actuarial and statistical work. Vice-president Lester L. Johnson, who was head of the agency department, is shifted to the operating end and his office is adjacent to that of Mr. Moyer.

#### White in Charge of Agencies

Mr. Moyer, who resigns as actuary of the Business Men's Assurance to take his new position, is in Chicago this week in conference with the Continental Assurance officials, but will not take his position permanently until Feb. 1. The agency work will now be under the immediate charge of W. E. White, assistant to the vice-president and director of agencies, who will be assisted by D. Miley Phipps, superintendent of agents. Mr. White has been superintendent of agencies of the commercial accident and health department of the Continental Casualty. His work is taken over by Vice-president Tuchbreiter and no one will be appointed to succeed him in his old position. Mr. Tuchbreiter in becoming the executive agency head of both companies will be able to carry out a uniform policy. It is the desire of the management to operate the two companies in close formation.

### Guarantee Mutual Men Pay Visit to the Pacific Coast

President J. W. Hughes and Treasurer L. E. Gillispie of the Guarantee Mutual Life spent the holidays with Dwight E. Keider, Pacific Coast supervisor, at Pasadena. Mr. Keider was host at a Rose Bowl football party.

An agency meeting was held in the southern California department to honor the home office executives at which 41 agents were present, 14 of whom qualified for the home office convention to be held this month at Omaha. Mr. Keider announced the Pacific Coast di-

vision showed a 40 percent increase over last year's business.

### Report on Mutual Benefits

The Illinois department has made a report on the Avon Mutual Benefit of Rockford, Ill., as of Sept. 1. It has 1,102 members. Its income was \$8,633 and disbursements \$7,398. Its assets were \$6,138 and liabilities \$1,344. Its guarantee fund is \$4,794.

In reporting on the Oblong Mutual of Oblong, Ill., its income up to Aug. 1 was \$11,171 and disbursements \$11,284. Its assets are \$7,715. It has no liabilities. It has 1,585 members.

In reporting on the Northwestern Mutual Benefit of Rock Island as of Oct. 1 it shows 3,881 members, the income up to Oct. 1 was \$24,377 and disbursements \$22,777. Its assets are \$7,821 and liabilities \$1,199.

### Church Companies Now Allied

An alliance has been formed between the Presbyterian Ministers Fund of Philadelphia and the Ministers Mutual Life of Boston. Hereafter the Fund will act as manager of the Ministers Mutual and the Fund guarantees payment of all losses and claims on Ministers Mutual policies now in force or hereafter issued. The deal has been approved by the Massachusetts and Pennsylvania departments. The Ministers Mutual has confined itself mainly to the Methodist clergy. It will continue to operate as a separate company and according to the announcement: "Will offer to the church insurance field certain contracts for which there is a real need but which are not now issued by the Fund."

The Presbyterian Ministers Fund traces its beginning to 1759. As of Dec. 31, 1935, it showed assets \$24,583,577, life reserve \$21,035,515 and net surplus \$1,469,445. Insurance in force was \$59,344,128.

Ministers Mutual Life goes back to 1878. As of Dec. 31, 1935, it showed assets \$664,178, life reserve \$602,049, net surplus \$31,402. Insurance in force was \$2,505,863.

### New Guaranty Director

DAVENPORT, IA., Jan. 14.—Henry C. Wurzer, president of the Blackhawk Hotels Company and the Kahl Investment Corporation, was elected a director of the Guaranty Life at the annual meeting. Assets have been increased approximately \$175,000 the past year, President Dougherty reported. Cancellations and surrender of policies showed a marked decrease and collections were improved in 1936.

### Dividend Not Paid This Year

The National Life of Toronto, under one of the first acts of its new owners, has withheld the regular dividend, payable Jan. 1, which has been paid regularly since 1906, and since 1921 at the rate of 10 percent per year on paid up capital. The new management plans overhauling of all departments to effect savings, this dividend curtailment saving \$25,000.

### Mutual Casualty Report

In the examination report of the Mutual Casualty of Chicago issued by Illinois and Kentucky, the claim reserve is \$19,861. In addition to the \$340,355 net surplus as shown in the examination it carries a \$20,000 voluntary contingency reserve.

### Tulsa Company Reinsured

The Imperial Life of Tulsa, Okla., has been reinsured in the Public National Life of Little Rock, Ark. The transaction was approved by the insurance departments of both states. Both companies operate on the stipulated premium basis.

### French Bankers Mutual Actuary

George C. French has been appointed actuary of the Bankers Mutual Life of Freeport, Ill. He has lived at Spring-

## ACTUARIES

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Telephone 5-6231

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Telephone State 1213  
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500 Fifth Avenue New York City

Established 1885 by David Parks Fackler  
**FACKLER and BREIBY**  
Consulting Actuaries  
Edward B. Fackler William Breiby  
4 WEST 40TH STREET NEW YORK

### PENNSYLVANIA

**FRANK M. SPEAKMAN**  
CONSULTING ACTUARY  
Associates  
Fred E. Swartz, C. P. A.  
E. P. Higgins  
THE BOURSE PHILADELPHIA



field, Ill., attended Knox College, the University of Illinois and graduated from the University of Michigan where he majored in actuarial science.

### Life Company Notes

The annual meeting of the **Guarantee Mutual Life** will be held at the home office in Omaha, Feb. 11.

Robert E. Hannegan, trustee for the **Missouri State Life** in connection with a controversy between it and the **Continental Life**, has applied to Circuit Judge Joynt to terminate the trusteeship and allow him \$1,000 fees for services.

## COMPANY MEN

### Nation Head of Modern Life

**Has Been Vice-president and Manager of St. Paul Company Several Years—Has Long Experience**

ST. PAUL, Jan. 14.—At the annual meeting this month of the **Modern Life** of St. Paul, M. A. Nation, for several years vice-president and manager, was elected president. Julius Schmahl was made chairman. Other officers named



M. A. NATION

were: Vice-president and secretary, N. J. Holmberg, treasurer and general counsel, Oscar Hallam.

Mr. Nation's first life insurance experience was with the **Commonwealth Life** of Omaha, where he wrote a large business and later became an executive. He was appointed assistant superintendent of agencies and later state manager for Kansas. He resigned Jan. 1, 1923, to become assistant to President J. R. Paisley of the **Standard Life** of St. Louis. When the **Standard Life** consolidated with the **International** he continued his old position. Then on May 7, 1925, he went with the **Universal Life** of Dubuque as president, remaining with it until it was reinsured early in 1926 by the **Royal Union Life**. He joined the **Modern Life** later that year.

### Travis to Home Office

Carroll J. Travis, for the past year in Pittsburgh with the **M. Jay Ream** agency of the **Mutual Benefit Life**, has been called to the home office. While in Pittsburgh, he conducted classes in groups of six to eight men at a time applying practical psychology by rehearsing again and again with individuals his sales presentation, demonstrating ways of overcoming objections, correcting faulty approach and delivery.

He also coached classes along the same lines for agencies of other companies there.

### E. C. Rassmann Resigns

Emil C. Rassmann has resigned as advertising manager of the **American Central Life**, which was merged Jan. 1 with

### H. G. KENAGY TO SPEAK

H. G. Kenagy, superintendent of agencies **Mutual Benefit Life**, will be the speaker at the January luncheon meeting of the **New York City Life Supervisors Association** Tuesday at the **Hotel Governor Clinton**.

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### DAVIDSON HONORED BY DRIVE

Julius Davidson, vice-president and assistant general agent of the **Alfred Yovits** agency of the **Security Mutual Life** in New York City, is being honored by a testimonial production drive this month, the goal being \$1,000,000 of new business. There will be a luncheon Saturday at the **Hotel Dixie** for agents and the office staff to discuss results of the first half of the drive. Mr. Davidson has represented the **Security Mutual** since 1933. Before that he was with the **Home Life** of New York.

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### BOOKSTAVER AGENCY MEETING

The **Joseph D. Bookstaver** agency of the **Travelers** in New York City held its opening agency meeting for 1937 Tuesday. Manager **Elias Klein** outlined plans for the agency's next life insurance training course, which begins this week. The course will continue every Tuesday and Thursday until March 4.

Assistant Superintendent of Agencies **P. L. Smith** announced that the agency had led all the company's general agencies countrywide in production for the year and was second among general agencies and branch offices combined, the 55 **John Street Branch** in New York City being the only larger producer.

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### SUPPORT FOR FAIR PROJECT

**Bennett Ellison** of the insurance firm of **Hoey & Ellison**, New York City, asked the newly formed insurance agents and brokers committee of which he is chairman to give vigorous support to the financing program of the 1939 fair. Mr. Ellison's plea was given at the initial organization luncheon of the committee, attended by 25 leading agents and brokers of the city.

The committee set a preliminary goal of \$200,000 in subscriptions.

**F. K. Teipel**, **Manufacturers Trust** Company, vice-chairman of the **New York World's Fair** bond sales committee, addressed the group expressing confidence in their success and reported that more than \$11,000,000 of the \$27,829,500 which is being sought to finance the fair was already in sight in the form of subscriptions and commitments secured by other volunteer committees.

Members of Mr. Ellison's committee include the following: **Stanley Andrews**, **Andrews & Evans**; **W. E. Barton**, **C. B. Knight Agency**; **B. W. Blakey**, **Benedict & Benedict**; **Floyd R. DuBois**, **Frank & DuBois**; **J. B. Dunlaevy**, **Dunlaevy, Cleaves & Burnham**; **Ralph G. Engelsman**, **Penn Mutual Life**; **J. E. Fries**, **Fries & Burmeister**; **John T. Geery**, **Geery & Co.**; **H. J. Goodwin**, **John T. Harrison**, **Flynn, Harrison & Conroy**; **Alexander Heid**, **John A. Eckert & Co.**; **William B. Joyce**, **William B. Joyce Company**; **L. S. Kennedy**, **Marsh & McLennan**; **A. P. Kirkland**, **Kirkland & Yardley**; **Henry Loew**, **Johnson & Higgins**; **Julian Lucas, Jr.**, **Davis Dorland & Co.**; **Clarence McDaniel**, **McDaniel, Maeser & Co.**; **W. J. Manning**, **Albert B. Liell, Inc.**; **Julian S. Myrick**, **Mutual Life of New York**; **R. J. Newhouse**, **Newhouse & Sayre**; **G. P. Nichols**, **Gaines, Silvey & Nichols**; **Sidney T. Perrin**, **W. L. Per-**

the **United Mutual Life** of Indianapolis. Mr. Rassmann had been with the **American Central** since July, 1920, and in 1925 took over the advertising and agency promotion department.

## VIEWED FROM NEW YORK

By R. B. MITCHELL

rin & Son; **Theodore M. Riehle**, **Equitable Life** of New York; **William Schiff**, **Schiff, Terhune & Company**; **Paul Simon**, **Paul Simon & Co.**; **George F. Sullivan**, **Lyman E. Thayer**, **Brown Crosby & Co.**, and **Charles Whitecar Zimmerman**, **Charles Whitecar Zimmerman Company**.

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### HELD PASSES BAR EXAMINATION

**Irving I. Held, Jr.**, **C. L. U.**, who is with the **Recht & Kutcher** agency of the **Northwestern Mutual Life** in New York, passed the Virginia state bar examination last week. He is a son of **Irving I. Held**, one of the premier producers of the **W. T. Nolley** general agency of that company in Richmond. He expects to continue in life insurance.

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### FRASER AGENCY LUNCHEON

**J. M. Fraser**, general agent **Connecticut Mutual Life** in New York City, was host to his agency staff at a luncheon at which he outlined the agency's goal for the year of \$15,000,000 and pointed out the value of the social security act to the life insurance agent.

Mr. Fraser cited indications pointing to good business for 1937 and complimented the agency on the submitted business for December, which was \$1,878,416. He thanked those assembled for their cooperation during the past year. Emphasizing the importance of continually adding new men, he pointed out that last year \$1,240,000 in paid business came from new organizations.

Other speakers were **Associate General Agent J. F. Toomey**, who mentioned the importance of cordial cooperation between the cashier's department, as the inside working force and the supervisors, as the outside working force; **Associate General Agent H. J.**

**Ransom**, who talked on successful selling and the importance of avoiding competitive sales methods lest they be construed by the prospect as a criticism of life insurance itself; and **Assistant Superintendent of Agencies G. F. B. Smith**, who commented on the enthusiasm shown at the luncheon and the objective taken for 1937 by the agency.

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### AGENCY ORGANIZATION BOOK

The **Life Office Management Association**, 110 East Forty-second street, New York City, has brought out a new publication, "Life Insurance Agency Organization" by **L. B. Hendershot**, manager of agencies of the **Berkshire Life**, who has had wide sales and sales management experience. He was formerly on the staff of the **Life Insurance Sales Research Bureau**. This book is directed particularly to employees of companies in both home office and field, dealing with the functions and practices of agency organization. The volume intends to bring together available information concerning the underlying principles and current practices of effective sales organization and sales management. The price is \$2.75.

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### RIEHLE AGENCY THE LEADER

The **Riehle** agency of the **Equitable Life** of New York in New York City ended the year as the leading agency in the New York metropolitan district for that company. This agency opened its office at 225 West 34th street in 1926. It finished in second place in 1935. Thirty of its agents qualified for the clubs with production ranging from \$100,000 upward. The **Riehle** agency, now leading New York City, has set out as its goal to beat all the agencies in the country. It finished in 15th place last year. The **Riehle** agency announces that those agents who produce a pro rata of \$500,000 in paid business in the 10 months from Oct. 1, 1936, to Aug. 1, 1937, will be invited to the annual convention of the **National association** at Denver.

The growth of the **Massachusetts Mutual Life Insurance Company** is a story of 85 years of increasing service. The ideal of the founders to make the Company particularly a policyholders' institution has always been closely adhered to, and throughout the country the name **Massachusetts Mutual** has become a synonym for quality and excellence in life insurance.

• • •

## MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851

## LIFE AGENCY CHANGES

### National Life Appoints Two Cromwell Now General Agent

**Vermont Company Names General Agency Heads for Philadelphia and Western Massachusetts**

MONTPELIER, Jan. 14.—The National Life of Vermont has appointed Clifford H. Orr as general agent at Philadelphia, succeeding Vaughan C. Chambers. Mr. Orr, 36, is a C. L. U., already experienced as general agent in Philadelphia of the Pacific Mutual Life.

He was educated in the Wharton school of the University of Pennsylvania. He has been active in the Philadelphia Association of Life Underwriters, having been both vice president and director. At present he is general chairman of the 50th anniversary celebration of the association being held in Philadelphia.

Mr. Orr is moving general agency offices of the National Life in Philadelphia from the Girard Trust Company to 1616 Walnut street.

Ralph E. Clark, who has been associate in Boston for several years of V. W. Kenney, general agent New England Mutual Life, has become general agent of the National Life for western Massachusetts with headquarters at Springfield.

Mr. Clark was educated at Dartmouth. He is 40, and is active in the Life Underwriters Association.

### Stradford New Alabama Manager

John R. Stradford has been appointed Alabama manager of the Equitable Life with headquarters in Birmingham. He succeeds W. T. Roddey, who has returned to personal production. Mr. Stradford had been unit manager for the Equitable in Montgomery.

**McMillen Agency Production Manager Goes With Manhattan Life in New York City**

NEW YORK, Jan. 14.—The Manhattan Life has appointed C. V. Cromwell as its general agent in the metro-



C. V. CROMWELL

politan area of New York City with authority to appoint other general agents. Before taking over these duties Mr. Cromwell had been production manager of the Clifford L. McMillen agency of the Northwestern Mutual

Life in New York City for the last three years.

Since joining the Manhattan Life last summer, Executive Vice-president George Graham has been stressing increased production through a greater number of active general agents in the greater New York area. In announcing Mr. Cromwell's appointment, Mr. Graham said that other general agency appointments would follow as rapidly as men of proper experience and production ability become available.

### Started in Lumber Business

After a career which included the lumber business in his native Michigan, the wholesale shoe business in Chicago, and war service with the Y. M. C. A., Mr. Cromwell went into the life insurance business late in 1919 with the former L. A. Cerf agency of the Mutual Benefit Life in New York City. When Donald Keane and Lloyd Patterson withdrew from the agency to open an office for the Massachusetts Mutual Life, Mr. Cromwell went along as supervisor of agents. In 1929 he joined H. N. Fell, another Massachusetts Mutual general agent in New York City, as associate general agent.

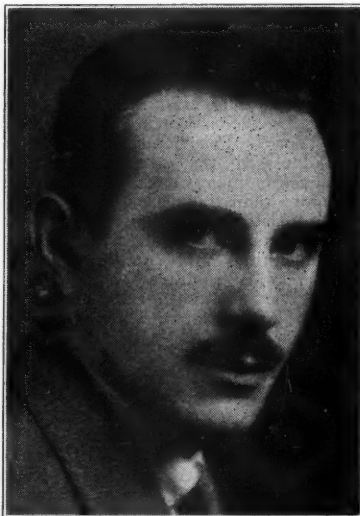
Later he joined the McMillen agency and in 1933 when Grant L. Hill, its production manager, went to the home office as director of agencies, Mr. Cromwell succeeded him. As the Manhattan Life's general agent, he will open an office at once on the sixth floor of the Lincoln building, 60 East 42nd street.

### Kruh Is Now General Agent

**Continental American Life Changes Herald Square Branch's Status in New York City**

Robert Kruh, former manager of the Continental American Life's Herald Square branch at 1350 Broadway, New York, has been appointed general agent. The agency will maintain the same quarters but will be known as the Robert Kruh Agency.

Mr. Kruh, for five years a leading producer and unit manager for the Equitable Life in New York, started with the



ROBERT KRUH

Continental American in 1932 as an assistant manager of its Newark branch, the Moskowitz-Ainbinder Agency.

In 1934, Mr. Kruh was appointed manager in an agency starting from scratch in Brooklyn. It had a very successful record and an increase of 220 percent in premiums in the second year. Last May the agency was transferred to 1350 Broadway, New York.

Last October Jules Anzel was appointed assistant manager. He will now become associate general agent. Mr. Anzel has been one of the leading producers of the Continental American and has been successful in organization work.

During a nine weeks' contest for No-

vember and December, based on quotas the agency led every office of the Continental American. Its increase over quota was 274.3 percent as against the next leading agency of 128.5 percent. During this nine-week contest, Mr. Anzel had paid volume of \$120,633. Seymour Jacobson led with \$155,350.

### Riehle Heads General Agency

**Equitable Life Unit in New York Taken Over by National Association Chief—Succeeds Father**

NEW YORK, Jan. 14.—T. M. Riehle, associate manager Riehle agency, Equitable Life of New York in New York City, has been made sole manager of that office, following the death of his father, John M. Riehle, last month. The son for some time had active responsibility for management of the agency. His election as president of John M. Riehle & Co. was announced last month.

### Worked on Part-Time Agreement

Mr. Riehle, former president of the National Association of Life Underwriters, was recently elected its head to fill out the unexpired term of Alexander E. Patterson, general agent of the Penn Mutual Life at Chicago, who was last month appointed agency vice-president. During his year as president of the National association Mr. Riehle made an aggressive drive for improved conditions for agents and the raising of the standards of business.

He had much to do with the inter-company agreement eliminating part-time agents in cities of 50,000 and over, and emphasis on quality agents, and the elimination of men unfitted for the business. As a National association official and otherwise, he has addressed many life insurance meetings throughout the country. He is also active in the National association's legal and legislative work and is in addition to being president of the national organization, chairman of its law and legislation committee.

### Large Personal Producer

Mr. Riehle has always been a large personal producer as well as an agency manager and was one of the first in New York City to receive the C. L. U. designation. The Riehle agency led the Equitable Life's Greater New York agencies for 1936.

### Home Names General Agent

**W. M. Liscom Takes Charge of Second Cleveland Unit—Company Plans Further Expansion**

The Home Life of New York has appointed W. M. Liscom general agent in Cleveland. This creates a second agency for the Home Life in Cleveland, the Hoyt W. Gale Company having been established as general agent there for a number of years.

Appointment of Mr. Liscom is the first step in the company's agency expansion program in Ohio. Plans for 1937 anticipate establishment of several agencies in Ohio, as well as in other urban centers in the north central, middle Atlantic and New England states.

### New General Agent's Career

Mr. Liscom entered the life insurance business in 1927, after four years experience in accountancy. He began as a personal producer in the Chicago agency of the Bankers Life of Nebraska, and in 1933 was transferred to Cleveland to establish an agency for that company. In 1935 he resigned to become director of sales of the Brailey agency of the New England Mutual in Cleveland.

Mr. Liscom has been active in musical circles, which has been his hobby. At Cleveland he organized the Cleveland Life Underwriters' orchestra, composed of 15 pieces, every member being a member of the local association.

He is active in association affairs, and



## More Than 137 Years

The total membership weeks in the Pilot's App-A-Week Club represent more than 137 years of continuous production.

This Club, with its many attractive awards, is one of the many incentives for quality volume business offered the field representatives of the Pilot Life Insurance Company

## PILOT LIFE INSURANCE COMPANY

Greensboro, North Carolina

Emry C. Green, President



is a member of the board. He is also head of the C. L. U. chapter in Cleveland.

### Portland, Ore. Head Is Named

**John N. Adams, Associate General Agent at Philadelphia, Takes Charge of Oregon Agency**

The Aetna Life has appointed John N. Adams as general agent for Portland, Ore. He succeeds the late J. E. S. Buchanan.

Mr. Adams, a native of Idaho, was educated at the University of Iowa and



JOHN N. ADAMS

engaged in the banking business, later holding the vice-presidency of a bank in Idaho. Turning his attention to life insurance he entered the Aetna Life's Portland agency as a salesman. He became supervisor, and then assistant general agent. Impressed by Mr. Adams' record at Portland, the home office appointed him to the life agency staff in 1927, as divisional superintendent. Early in 1929, he was appointed to the W. R. Harper agency in Philadelphia as associate general agent which position he has held up to this time.

During the years of his association with Mr. Harper in Philadelphia, Mr. Adams has carried out his responsibilities with more than ordinary success. Because of his familiarity with sales methods, his long experience as a banking and insurance executive, and his outstanding work in developing salesmen and sales, he assumes his new responsibilities under most favorable circumstances.

On various occasions, Mr. Adams has been on the speakers program at company conventions. Active in insurance circles, he was treasurer of the Philadelphia Life Underwriters Association and is now vice-president and chairman of its board. He is chairman of the general agents and managers committee of the Philadelphia association.

### McCuskie and Dawson Will Be Home Office Supervisors

The Mutual Trust Life has named two new home office field supervisors. Albert G. McCuskie, who has been district agent in southern Minnesota, will be field supervisor for southern Minnesota with headquarters in Redwood Falls, Minn. Dave Dawson, manager of the home office agency in Chicago, has been promoted to home office field supervisor for southern Michigan and Ohio, with headquarters in Chicago. W. W. Gillespie, who has been assistant home office agency manager, succeeds Mr. Dawson.

Lawrence T. Wade has been appointed general agent for four counties in west-

ern Illinois, with headquarters at Wheaton. Mr. Wade has been a personal producer and agency organizer for the Mutual Life of New York for the past seven years and before that was principal of the junior high school in Wheaton.

### Mutual of New York Makes Shifts Among Iowa Force

The Mutual Life of New York has appointed F. G. Lundblad agency organizer at Des Moines, succeeding T. G. Scanlon, who has been advanced to the same position in Kansas City. Mr. Scanlon's work in the Des Moines office the last two years has aided the agency's progress considerably. Mr. Lundblad has been district manager at Fort Dodge.

The latter has lived in the Des Moines territory all of his life and after being county agricultural agent for several years he became district manager at Fort Dodge almost two years ago. In his first year in the life insurance business he qualified to attend the 1936 Field Club convention and ranked fourth among representatives of the Des Moines agency. He has been a consecutive weekly producer.

### J. R. Rhoads Heads Fidelity Mutual Philadelphia Agency

John R. Rhoads, well known in Philadelphia circles, has been appointed manager of the agency of the Fidelity Mutual Life in the Fidelity-Philadelphia building. This will give the Fidelity three agencies in Philadelphia.

Mr. Rhoads six years ago became associated with the Murphy agency of the Equitable Life of New York in Philadelphia and in 1935 qualified for the Million Dollar Round Table.

### Prudential South Carolina Changes

J. T. Coleman has retired after 28 years as manager of the ordinary agency of the Prudential in Charleston, S. C. He has been senior member of the firm of J. T. Coleman & Son and is succeeded by his son, J. W. Coleman, who joined the Prudential as special agent in 1922 and has been a firm member for the past 11 years.

The company is combining the Spartanburg, S. C., with the Charleston unit. R. H. Ferguson, who has been ordinary manager at the former city since 1907, is retiring. He has been with the Prudential for 39 years.

### Momsen Succeeds Cromwell

W. L. Momsen of the Clifford L. McMillen agency of the Northwestern Mutual Life in New York City has been appointed assistant to the general agent, and will take over the duties formerly handled by C. V. Cromwell, who resigned to become general agent of the Manhattan Life in New York City.

Mr. Momsen has been with the McMillen office as an agent for the last four and one-half years. Before that he was traveling secretary of Alpha Delta Phi fraternity and now is executive secretary. He is a graduate of the University of Wisconsin. By exceeding 100 lives per year, he succeeded in making the Northwestern Marathon Club for 1935 and 1936. He was a speaker at the recent regional convention of the company.

### Mohl with Acacia

Henry A. Mohl, for many years an agent with the Sun Life of Canada, has been named Davenport, Ia., manager of the Acacia Mutual Life in charge of eastern Iowa and several counties in Illinois.

### London Life Appointments

The London Life announces the following agency appointments in the ordinary branch: A. R. Piper has been

transferred from district supervisor at Petersburg, Ont., to district supervisor at New Westminster, B. C.; J. L. Cameron, transferred from district supervisor at Brantford, Ont., to district supervisor at Oakville, Ont.; J. H. MacDonald, transferred from supervisor at London, Ont., to district supervisor at Brantford, Ont.

### Gillaspie Is Named

T. E. Gillaspie has been named supervising representative in Lincoln for eastern and southern Nebraska for the Woodmen Central Life, successor to the Cornbelt Life. Mr. Gillaspie was a partner with his father in a state agency from 1915 to 1927 before he began the eight years of service as Lincoln postmaster which recently ended.

### Roy Wynne's New Lineup

Roy W. Wynne, who becomes general agent of the Home Life of New York at Topeka, will be closely associated with E. D. Clithero, who will also continue as general agent, having represented the company in Kansas for 24 years. Mr. Wynne is a graduate of Ottawa University and was a football coach for some institutions including Washburn College.

### Henderson Handles Brokerage

Clifford Henderson, assistant manager of the O. O. Orr agency of the Prudential in San Francisco since 1931, has been appointed in charge of the brokerage department, continuing under the same title. The brokerage business of the agency showed an increase of over 75 percent in 1936.

### Zimmer Central Ohio Manager

Robert K. Zimmer, an agent of the Pacific Mutual Life at Columbus, O., since 1931, has been appointed manager for Central Ohio. He is a director of the Life Underwriters Association of Columbus.

### Poe With Gordon Campbell

Fred Poe, for several years general agent for the Fidelity Mutual Life in

### Becomes Department Head of Bokum & Dingle Agency



HALE C. WHITCOMB

Bokum & Dingle, general agents Massachusetts Mutual Life, Chicago, have appointed Hale C. Whitcomb manager of the new business department.

Following a comprehensive experience in industrial management after graduation from Yale, Mr. Whitcomb entered the life business in Chicago in 1933 as a personal producer in the Roger W. Somers agency of the Continental Assurance, later becoming assistant to the general agent, in which capacity he served until his present appointment.

## General Agency Openings for Illinois

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## RURAL BANKERS Life Insurance Co.

1106-130 N. Wells Street Chicago, Illinois

John V. Sees, President

Little Rock, has resigned to join the Gordon H. Campbell agency of the Aetna Life. Mr. Poe is resigning his managerial duties in order to devote his entire time to personal production.

#### American United Names Halley

L. E. Halley has been appointed general agent of the American United Life, with offices in the Hartman Theater building, Columbus, O. He is a former secretary of the Ohio state real estate board.

#### J. A. Otto Joins Brother

J. A. Otto, who was instructor of agencies for the New England Mutual at Des Moines, has joined the Mutual Benefit in St. Louis. He is a brother of C. C. Otto, Mutual Benefit general agent there. For 12 years he was with the Mutual Benefit of Chicago.

#### Wright Field Supervisor

The Indianapolis Life has appointed Lloyd S. Wright field supervisor in charge of south central and southwestern Indiana, with headquarters at the home office. He has been Indianapolis general agent since 1933 and has built up one of the company's leading agencies.

#### Martin Succeeds Smith

Byron T. Smith, supervisor for the Lincoln National Life in Los Angeles for three years, has resigned to engage in personal production. Samuel C. Martin has been appointed to succeed him. Mr. Martin had a successful experience in Indianapolis as manager for the old Missouri State Life and the Reliance Life. Prior to going to Indianapolis he was at the home office of the Missouri State Life in charge of its salary savings department.

#### Grainger to State Reserve

Vincent Grainger, formerly with the Homer Hewitt agency of the Northwestern National Life, has become city manager for the State Reserve Life at Fort Worth, Tex.

#### Name Grant at Ada, Okla.

Tom Grant of Ada, Okla., has been appointed general agent there for the Mid-Continent Life of Oklahoma City.

#### Austin Given Topeka Post

Lindsey Austin, agent Equitable of New York at Wichita, Kan., has been named district manager for northern Kansas with headquarters at Topeka. Mr. Austin was second in the Embury agency in paid volume for 1936. He led in number of paid cases, 118.

#### Names Straus at Santa Barbara

The Capitol Life has appointed Cerf Straus general agent at Santa Barbara, Cal.

#### K. C. Penwell Transferred

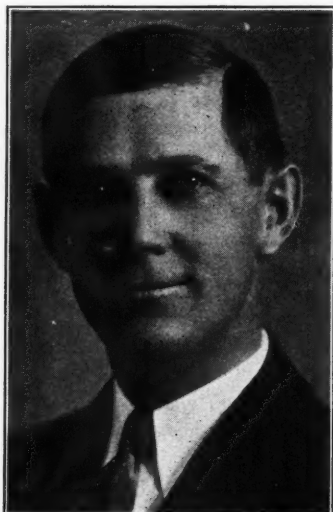
Kenneth C. Penwell, home office group representative of the Prudential, has been transferred to Boston from Kansas City.

#### De War Agency Man Resigns

M. I. Scott, assistant agency manager Alex A. De War agency of the Equitable Life of New York in Los Angeles, has resigned to devote his time to personal production. He has been with the Equitable for three and a quarter years, during which time he produced personal business totaling \$1,174,532.

John R. McPherrin has been appointed associate general agent at Long Beach, Cal., for the General American Life, under Walter D. Erwin, general agent at Los Angeles. Mr. McPherrin is from Des Moines and went to southern California about two months ago. He was with the Mutual Benefit Life in Des Moines and has a fine record in personal production.

### Named as Decatur Manager of Bankers Life of Iowa



C. C. CLOUSE

The Bankers Life of Iowa has appointed C. C. Clouse agency manager of its Decatur, Ill., office. He succeeds the late C. C. Smith. Mr. Clouse has been affiliated with the Bankers Life for the past 10 years as a member of its Des Moines agency. For the past several years, he has been supervisor of that agency.

### AGENCY NEWS

#### White Agency of the John Hancock Life Has Dinner

The William A. White agency of the John Hancock held a dinner in Newark attended by J. H. Wood, agency controller, and J. F. Keefe, assistant manager of the underwriting department, from the home office. Mr. Wood complimented the agency on its excellent production record and predicted it will show marked improvement from now on. The Newark agency has a large number of big producers.

#### Central, N. J., Men Elect

At the annual meeting and one-day sales congress of the Central New Jersey Association of the Bert Stowell agency of the Provident Mutual Life, F. L. Watson was elected president; R. G. Terry, vice-president, and W. A. Auble, secretary-treasurer. Sales congress speakers were Bert H. Stowell, Boyd M. Ogelsby, Alexander F. Gillis, Nelson A. White and Don A. Hampton.

#### Lawrence Agency Banquet

NEWARK, Jan. 14.—The annual banquet of the Howard C. Lawrence agency of the Lincoln National Life will be held Jan. 18. The agency is celebrating its 15th anniversary. Among the guests from the home office will be A. L. Dern, vice-president, and A. H. Hammond, superintendent of agents. There will be a brief business session in the afternoon.

#### Welcome A. H. Doty

Mutual Benefit Life agents attended a luncheon in Sioux City, Ia., to welcome the new general agent for northwestern Iowa, A. H. Doty, formerly of Jackson, Miss. Virgil Samms, assistant superintendent of agencies, and Harold Smith represented the home office. Mr. Doty succeeds W. D. Morton, who relinquished general agency duties several months ago. Mr. Doty entered life insurance in 1930. He served as president of the Mississippi Association of Life Underwriters in 1936.

## LIFE SALES MEETINGS

### Pacific National Men Meet

Convention Hears Report of 1936 Gains; Attended by Officials Throughout Western States

The eighth annual convention of the Pacific National Life was held in Salt Lake City two days with fifty representatives from the nine outside states of the Pacific coast and mountain territory in attendance, in addition to Utah representatives.

Prominent among the out-of-state men were Wayne E. Hibbard, Portland, state manager of Oregon; Ford E. Dunton, Spokane, state manager of Washington; G. G. Ripley, San Francisco, state manager of California; R. W. Evans, Butte, state manager of Montana; J. Milton Olsen, Cheyenne, state manager of Wyoming; V. W. Bentley, Phoenix, state manager of Arizona; H. B. Seeley, Grand Junction, manager Western Colorado; J. W. Nixon, Idaho Falls, and C. Gale Baker, Burley, Idaho general agents.

Morning and afternoon sessions were in the home office, and were addressed by home offices men in charge of various departments. President Carl R. Marcussen was in charge. Friday's luncheon was in charge of the Washington delegation and Saturday's was arranged by the Insurance Sales Corporation, Salt Lake City general agent.

#### State Officials Attend Dinner

At the banquet and club reception held Friday evening, honored guests included:

Gov. Henry H. Blood and Mrs. Blood, E. E. Monson, secretary of state, and Mrs. Monson, Commissioner Elias A. Smith, Jr., and Mrs. Smith, Mayor E. B. Erwin and Mrs. Erwin, President Chamber of Commerce, John M. Wallace and Mrs. Wallace, President Utah Life Managers Association, W. A. Carter and Mrs. Carter, President Salt Lake Association of Life Underwriters, Walter M. Jones, and Mrs. Jones. Awards were made in the Quarter Million, \$200,000 and \$100,000 producers, of whom there are thirteen.

Commissioner Smith addressed the meeting, and acknowledgment of awards were made by: Wayne E. Hibbard of Portland, J. Milton Olsen of Cheyenne, and Mrs. G. G. Ripley of San Francisco.

The president's report showed a most successful year, every phase of the company's activities showing substantial gains. Optimism prevailed as to results in 1937.

Frank W. Bland of THE NATIONAL UNDERWRITER also appeared on the program.

The Pacific National Life closed the year with \$10,772,080 insurance in force, which is 35 percent increase over the year before. Under the administration, President Carl R. Marcussen the company has gone ahead in a very substantial way. It is extending its operations and now has agents in 10 western states.

### B. M. A. Managers Discuss Sales Plans at Home Office

KANSAS CITY, Jan. 14.—The Business Men's Assurance is holding a round table discussion for 15 branch managers at the home office here this week. President W. T. Grant reviewed "The 1937 Statement." At a luncheon Dr. Friedrich Schoeneman of the University of Berlin outlined "Germany's Mission in Middle Europe." Special sales plans for 1937 were discussed. Topics included recruiting, selling the new man on the business, selecting those who will succeed, training, motivating both new and old salesmen, branch office bulletins, contests, activities for accident and health and life insurance week.

### Lincoln National's Leaders

Vice-president Dern Announces the Topnotchers in the Organization for the Last Year

At the annual conference of general agents of the Lincoln National Life Vice-president A. L. Dern announced the leaders for the year. In personal sales, H. C. Lawrence of Newark, N. J., was the leader. Frank Moore of Lafayette was second, J. D. Mueller, Ft. Wayne, third; R. L. Hesse, Madison, Wis., fourth; Clyde Chaddick, San Antonio, fifth; L. R. Lay, El Paso, sixth; J. G. Hopkins, Washington, D. C., seventh; C. S. Geary, Chicago, eighth, and R. W. Fowler, San Francisco, ninth.

The leading general agencies were O. D. Douglas of San Antonio, first; W. T. Shepard, Los Angeles, second; V. J. Harold, Ft. Wayne, third; S. A. Bardwell, Cleveland, fourth, and H. C. Lawrence, Newark, N. J., fifth. Mr. Lawrence was the leader in personal production and his general agency also took high rank in production.

Ohio was the first state in production, Texas, second; California, third; Michigan, fourth, and Illinois, fifth.

### Northwestern Mutual Meets

Iowa Agents Gather at Des Moines — Minnesota Men Convene Next Week

The annual meeting of the Iowa Association of Agents of the Northwestern Mutual Life was held at Des Moines, with the J. J. Hughes general agency of that city acting as hosts. Other general agencies taking part were those of C. R. Garrett, Sioux City; J. H. Copeland, Davenport, and R. H. Pickford, Cedar Rapids. Scott M. Purpee, Sioux City, is president of the association. The meeting culminated the December round-up sales drive of all Iowa agents, which resulted in more lives paid for during that month than in any other month previously. The Garrett-Hughes "Westerners" were close winners over the Copeland-Pickford "Easterners." Personal leaders were members of the Garrett agency, Scott Burpee in volume and Frank McTigue in number of lives. Home office officials who attended and took part in the program included Grant L. Hill, director of agencies; Harry Ricker, assistant secretary; Urban Poindexter and L. J. Evans, assistant directors of agencies. Commissioner Murphy of Iowa was the principal banquet speaker. Mr. Hill also addressed a joint luncheon of Northwestern Mutual Iowa agents and members of the Des Moines Life Underwriters Association.

#### MINNEAPOLIS MEETING JAN. 18

The annual Minnesota meeting of Northwestern Mutual Life agencies will be held at Minneapolis, Jan. 18-19, for the field forces of the general agencies of Ralph Hamburger, Minneapolis; A. C. Hoene, Duluth; S. A. Erickson, Mankato, and Langford & Fahey, St. Paul. The general agents will preside at sessions. Company officials from Milwaukee to take part will be Grant L. Hill, director of agencies; Edmund Fitzgerald, vice president; Harry Ricker, assistant secretary, and Urban Poindexter, assistant director of agencies. Mr. Fitzgerald will speak at the dinner Monday night, at which H. Z. Mitchell, editor of Bemidji, Minn., will also address the agents. Mr. Hill will also address a joint luncheon with the Minneapolis Life Underwriters Association.

#### MANN AGENCY HOST

The Franklin Mann general agency of the Northwestern Mutual Life at Omaha was host to Nebraska agents at an all-



state meeting. Grant L. Hill, director of agencies; Harry Ricker, assistant secretary, and L. J. Evans, assistant director of agencies, were the home office representatives attending. Mr. Hill spoke at a joint luncheon meeting with the Omaha Life Underwriters Association at noon.

#### OTHER MEETINGS HELD

L. J. Evans, assistant director of agencies, Northwestern Mutual Life attended the annual January meeting of the Henry Laffer general agency at Wichita, Kan. Mr. Evans is at Oklahoma City for a meeting of the Albert B. Irwin general agency on Jan. 15.

Grant L. Hill, director of agencies, Northwestern Mutual Life, attended the meeting of the Hobart & Oates general agency in Chicago.

Urban H. Poindexter, assistant director of agencies Northwestern Mutual Life, was in Columbus, O., for a meeting of the S. L. Youngquist general agency. The agency had the largest written business in December of any month in its history. The sales promotion for that month was centered on the completion of 40 years as a special agent by Burl D. Clement, special agent.

#### Pacific Mutual Conference

##### Agents from Six States Met in Chicago to Meet Two Home Office Officials

Pacific Mutual Life agents from Minnesota, Wisconsin, North Dakota, Iowa, Michigan and Illinois met in Chicago this week. President A. N. Kemp and Vice-President D. C. MacEwen, who is head of the agency department, were visiting a number of points and bringing the agents together. There were seven meetings in the series scheduled.

Mr. Kemp announced that the directors had authorized an increase of 25 percent in dividends for this year. The new paid business last year exceeded \$56,000,000. The assets will be well in excess of the \$215,000,000 as of Dec. 31, 1935. Mr. Kemp spoke especially of the fine attitude taken by the policyholders, saying that evidently they have complete confidence in the present management. He paid high tribute to the work done under the general agencies of E. E. Henderson and John L. Watts at Chicago, making particular mention of a number of individual agents and their records.

President A. N. Kemp and Vice-President D. C. MacEwen of the Pacific Mutual Life became ill with influenza in the Palmer House, Chicago, where they had gone in the course of their projected nation-wide trip meeting agents. Mr. MacEwen had a nurse for several days due to his fever, but is now recuperating although he will remain in bed for four or five days. Mr. Kemp participated in a Chicago gathering of agents from many states Monday but was too ill to confer with general agents Tuesday as planned. Walter R. Hoefflin, Los Angeles, western supervisor, a member of the party, substituted for the officials. Messrs. Kemp and Hoefflin planned to leave for New York on a visit with agents, and later to swing back through Cincinnati for another meeting.

#### KEMP IN SALT LAKE CITY

SALT LAKE CITY, Jan. 14.—A. N. Kemp, president of the Pacific Mutual Life, Los Angeles, spoke at a convention here of the intermountain zone. Mr. Kemp commented upon the importance of trained underwriters in the field and on the increasing ability which life companies are showing in regard to the investment of their funds. "Nothing is handled in hit or miss fashion," he said. He predicted increased dividends and a larger number of new policies in 1937.

Other speakers at the convention included Vice-President D. C. MacEwen.

Walter Hoefflin, western agency supervisor, Commissioner Smith and Hazen Exeter, general agent, whose business last year showed a substantial increase in premiums. A luncheon was held attended by members of the Utah Life Managers' Association and the Utah Health & Accident Association.

#### Mielenz General Agency in Annual Meet in Milwaukee

MILWAUKEE, Jan. 14.—About 75 agents of the Aetna Life from Wisconsin and upper Michigan attended the three-day sales conference of the Albert E. Mielenz general agency here. The technique of insurance selling was discussed by a number of speakers. Following breakfast and an address by Mr. Mielenz on the first day, the session was devoted to accident and health talks and a round table discussion. In the afternoon the group department was in charge with speakers including V. G. Mueller, paymaster of the Kohler Co. and W. T. Craig, midwestern field supervisor.

At the life department's sessions speakers were Benjamin S. Beecher, field representative of the Social Security Board, and J. C. Moser, vice-president and trust officer Marshall & Isley Bank of Milwaukee, H. A. Moehlenpach was toastmaster at the annual dinner at which W. C. Maas, president Milwaukee Association of Commerce, spoke on "Underlying Principles in Business and Salesmanship."

The conference closed with several talks, including "Sales Helps by Social Security Act," by Alvin Moser agency supervisor, and recapitulation of accident and health, group and life sessions by G. W. McClung, R. W. Dyer and M. G. Huber, chairmen.

#### School in Kansas City

KANSAS CITY, Jan. 14.—The Bankers Life of Des Moines will conduct a school of instruction for agents here Jan. 15-16. From the home office to participate in studies of prospecting optional settlements and discussions will be W. W. Jaeger, vice-president; W. F. Winterble, agency superintendent; E. McConney, actuary; B. H. Williams, assistant agency superintendent; Dr. George McCreight, assistant medical director; G. A. Harper, educational department, and John Grimes, agency committee secretary. Approximately 100 agents will attend.

#### Announce 1938 Convention Plans

The Ohio State Life will hold its 1938 agency convention in Atlanta the first week of April. The convention trip will include a tour of the Great Smoky Mountains.

At the annual meeting of the Agency Managers Association of the company, President Claris Adams spoke on "What is Social Security?" Probate Judge C. P. McClelland discussed "Probate Practices" and R. T. Crew, Columbus banker, told of the administering of estates. Dr. C. E. Schilling, vice-president and medical director, spoke at luncheon.

#### View Mutual Trust Plans

Mutual Trust Life general agents and branch office managers are meeting in Chicago this week for their annual Organizational Club gathering to discuss plans and sales methods for 1937. John M. Holcombe, Jr., manager of the Sales Research Bureau, will talk. Informal round table sessions will be held and various company officials will talk.

#### Meet in New Orleans Feb. 1-3

The annual national convention of the Bradford Walker Club, an organization of leaders in the ordinary division of the Life of Virginia, will be held in New Orleans Feb. 1-3. John W. Murphy, supervisor of ordinary agencies, is in charge of arrangements. Approx-

mately 100 members, including Bradford H. Walker, president of the company, after whom the club is named, are expected to attend. James E. Woodward, vice-president, will preside.

#### Celebrate 200 Percent Record

To celebrate its 200 percent of quota record in its work election sales contest the Connecticut General Life held an inaugural dinner in Hartford with 44 sales winners present and with President F. B. Wilde as master of ceremonies. Speakers included R. W. Huntington, chairman of the board; Commissioner Blackall of Connecticut; R. H. Cole,

winning candidate for office in the campaign, F. H. Haviland, whose Chicago agency led all agencies in percentage of quota achieved, and H. K. Nickell of Chicago, leading individual producer. Mr. Haviland has just been appointed vice-president in charge of agencies.

#### Union Central Iowa Meeting

The annual Iowa meeting of the Union Central Life was held in Marshalltown with Fred G. Appelquist, Des Moines, state manager, in charge. Better business for the last quarter and excellent prospects for 1937 were reported. Social security legislation has stimu-

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### Dominion Life Club to Meet

The "gold section" of the Hilliard Club of the Dominion Life will hold its meeting the second week of February. Members are the producers who qualify between the start of the Hilliard Club production year in July and the annual meeting of the company in February. A \$25 award will be paid all men qualifying before Christmas, 21 men in the field earning these prizes. The previous year only six had qualified by Christmas.

November, 1936, was the biggest month in the company's history. Last year 29 producers achieved membership in the "gold section."

### Berkshire Life Club's Meeting Set

The Berkshire Life will hold its 1937 Rhodes Club convention Jan. 25-27, at the home office in Pittsfield, Mass. L. B. Hendershot, manager of agencies, is arranging the affair.

Speakers include: Paul Speicher, R. & R. Service; R. G. Englesman, general agent Penn Mutual in New York; H. W. Davis, president Eaton Paper Company; Prof. Hubert Greaves, Yale University; and S. M. Gamble, head of the direct mail division of the Massachusetts Mutual. Borden and Busse talking films also will be presented.

### Report Sales Progress

The Philadelphia Life held a special luncheon for the home office agencies in Philadelphia. E. R. Hurst, director of agency service reported outstanding sales gains. Sol Lilienfeld, general agent, Atlantic City, and president of the Plico 1936 Convention Club and the leader of the field organization during the fall campaign, presided. President Clifton Maloney thanked the entire organization for their special efforts during the agents' campaign and congratulated them on the large volume of business which enabled the company to show a larger paid total for 1936 than any year since the depression.

### Consider 1937 Program

Sixty Illinois agents of the Franklin Life held a special conference at the home office in Springfield, Ill., with Rollin Young, agency vice-president. With general business at the beginning of 1937 at its highest peak in six years, Mr. Young said that a survey and review of the financial and business conditions which led up to the present high peak is the best possible foundation upon which agents might base their plans for the year. Company officials presented a survey after which the agents formulated their own plans in round table discussion.

### Wiedermann's Agency Meeting

The B. A. Wiedermann Union Central agency, San Antonio, Tex., held an agency meeting. W. R. Rathbone, Austin, Texas, described his method of prospecting through the use of circularization of prominent business men; M. F. Granville of Harlingen, Texas, gave a presentation of the advantages of the "multiple protection" for the man who must buy his protection in small amounts; and Leon Shapu, Laredo, Texas, stressed the importance of knowing the merchandise of insurance just as the seller of any other form of goods must know his merchandise; and these were followed by a discussion of the needs for the coming year and W. H. Cox month.

### Mid-Continent Life Convention

The annual agency convention of the Mid-Continent Life will be held Feb. 12-13 at the home office in Oklahoma City.

The Northland Mutual Life of Rockford, Ill., is in process of organization. It is being organized under the assessment laws of the state.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Mutual Life's New Dividends

Scale for 1937 at All Ages for Several More Popular Forms Is Presented

Illustrative 1937 dividends of the Mutual Life of New York previously were shown for several forms at quinquennial ages, comparison being made with the 1936 scale. The complete 1937 scale for all ages on several more popular forms is:

Age	Annual Dividends End Year				
	1	5	10	15	20
10	5.01	5.13	5.33	5.72	6.17
11	5.05	5.17	5.38	5.77	6.23
12	5.08	5.19	5.41	5.81	6.29
13	5.12	5.23	5.46	5.87	6.36
14	5.16	5.28	5.51	5.91	6.42
15	5.21	5.32	5.56	5.98	6.48
16	5.23	5.36	5.61	6.03	6.54
17	5.28	5.42	5.68	6.11	6.62
18	5.34	5.47	5.73	6.17	6.69
19	5.38	5.52	5.79	6.24	6.77
20	5.43	5.58	5.85	6.31	6.85
21	5.49	5.63	5.91	6.38	6.93
22	5.55	5.71	5.98	6.46	7.03
23	5.61	5.76	6.06	6.53	7.13
24	5.68	5.83	6.13	6.62	7.22
25	5.74	5.91	6.22	6.71	7.33
26	5.82	5.97	6.27	6.80	7.44
27	5.88	6.04	6.37	6.90	7.58
28	5.96	6.13	6.44	7.00	7.73
29	6.03	6.20	6.53	7.09	7.86
30	6.13	6.30	6.64	7.23	8.03
31	6.21	6.39	6.73	7.34	8.19
32	6.29	6.47	6.83	7.48	8.37
33	6.38	6.56	6.95	7.65	8.58
34	6.49	6.68	7.06	7.80	8.77
35	6.59	6.79	7.19	7.97	8.97
36	6.70	6.91	7.32	8.15	9.18
37	6.81	7.03	7.48	8.36	9.40
38	6.93	7.16	7.66	8.57	9.62
39	7.07	7.30	7.84	8.79	9.86
40	7.22	7.46	8.04	9.02	10.09
41	7.34	7.61	8.24	9.25	10.34
42	7.51	7.80	8.47	9.50	10.61
43	7.67	8.00	8.72	9.76	10.96
44	7.84	8.21	8.96	10.02	11.33
45	8.03	8.44	9.21	10.28	11.39
46	8.26	8.69	9.48	10.58	11.70
47	8.50	8.97	9.76	10.88	12.05
48	8.73	9.25	10.07	11.18	12.38
49	9.02	9.55	10.38	11.49	12.73
50	9.32	9.88	10.70	11.82	13.11
51	9.64	10.21	11.03	12.16	13.49
52	10.00	10.56	11.39	12.58	13.94
53	10.37	10.92	11.75	12.97	14.38
54	10.74	11.31	12.14	13.40	14.81
55	11.15	11.71	12.52	13.85	15.27
56	11.57	12.13	12.94	14.30	15.97
57	12.02	12.58	13.43	14.83	16.74
58	12.51	13.05	13.91	15.38	17.55
59	12.99	13.54	14.44	15.88	18.41
60	13.51	14.02	14.97	16.43	19.32
61	14.09	14.57	15.53	17.30	20.31
62	14.67	15.20	16.17	18.21	21.36
63	15.25	15.81	16.83	19.18	22.47
64	15.89	16.49	17.46	20.22	23.65
65	16.58	17.19	18.14	21.34	24.88
66	17.36	17.91	19.20	22.55	26.25
67	18.16	18.75	20.33	23.86	27.75
68	19.02	19.63	21.53	25.24	29.42
69	19.90	20.46	22.81	26.68	31.21
70	20.84	21.36	24.22	28.23	33.05

Age	20-Payment Life				
	1	5	10	15	20
10	6.03	6.17	6.39	6.79	7.27
11	6.08	6.21	6.43	6.85	7.32
12	6.11	6.24	6.49	6.91	7.38
13	6.15	6.28	6.53	6.95	7.45
14	6.23	6.35	6.60	7.02	7.52
15	6.27	6.38	6.64	7.07	7.57
16	6.31	6.43	6.71	7.14	7.65
17	6.36	6.50	6.77	7.22	7.72
18	6.40	6.54	6.83	7.27	7.79
19	6.44	6.61	6.89	7.35	7.87
20	6.51	6.67	6.96	7.43	7.95
21	6.56	6.72	7.02	7.49	8.04
22	6.63	6.80	7.09	7.57	8.13
23	6.70	6.87	7.16	7.65	8.22
24	6.77	6.94	7.23	7.72	8.30
25	6.84	7.01	7.33	7.82	8.40
26	6.91	7.08	7.39	7.92	8.51
27	6.97	7.15	7.47	8.00	8.63
28	7.05	7.22	7.55	8.09	8.75
29	7.13	7.31	7.65	8.19	8.90
30	7.21	7.39	7.73	8.30	9.01
31	7.30	7.49	7.83	8.41	9.15
32	7.38	7.59	7.93	8.55	9.31
33	7.47	7.67	8.03	8.69	9.47
34	7.58	7.77	8.14	8.83	9.62
35	7.67	7.88	8.27	8.98	9.79
36	7.78	8.00	8.40	9.15	9.97
37	7.88	8.11	8.54	9.32	10.13
38	7.99	8.22	8.69	9.50	10.32
39	8.11	8.34	8.84	9.69	10.50
40	8.25	8.48	9.02	9.88	10.68
41	8.37	8.62	9.21	10.09	10.88
42	8.52	8.80	9.41	10.31	11.08
43	8.65	8.97	9.63	10.51	11.29
44	8.81	9.17	9.84	10.75	11.51
45	8.98	9.37	10.07	10.96	11.73

Age	Annual Dividends End Year				
	1	5	10	15	20
46	9.18	9.59	10.30	11.20	11.97
47	9.40	9.84	10.55	11.47	12.24
48	9.61	10.09	10.82	11.73	12.50
49	9.87	10.37	11.10	12.00	12.78
50	10.12	10.65	11.37	12.28	13.09
51	10.43	10.95	11.66	12.57	13.39
52	10.74	11.26	11.99	12.94	13.74
53	11.07	11.59	12.31	13.28	14.10
54	11.40	11.94	12.64	13.65	14.45
55	11.76	12.29	12.99	14.06	14.85
56	12.16	12.68	13.37	14.46	15.34
57	12.57	13.09	13.81	14.93	15.89
58	13.01	13.50	14.25	15.43	16.45
59	13.44	13.93	14.72	15.90	17.03
60	13.93	14.38	15.22	16.42	17.68
61	.....	.....	.....	.....	.....

Age	20-Year Endowment				
	1	5	10	15	20
10	6.93	7.12	7.39	7.84	8.33
11	6.99	7.18	7.44	7.90	8.38
12	7.04	7.23	7.51	7.97	8.46
13	7.10	7.27	7.56	8.02	8.52
14	7.16	7.34	7.63	8.09	8.59
15	7.22	7.37	7.68	8.14	8.65
16	7.28	7.46	7.76	8.23	8.73
17	7.34	7.53	7.83	8.30	8.80
18	7.39	7.58	7.89	8.36	8.86
19	7.47	7.66	7.97	8.45	8.95
20	7.54	7.73	8.04	8.52	9.03
21	7.60	7.79	8.11	8.59	9.10
22	7.63	7.83	8.14	8.62	9.14
23	7.68	7.88	8.20	8.69	9.22
24	7.74	7.94	8.25	8.74	9.27
25	7.78	7.98	8.29	8.79	9.32
26	7.83	8.03	8.35	8.86	9.40
27	7.88	8.08	8.41	8.93	9.47
28	7.95	8.15	8.46	8.99	9.54
29	8.00	8.20	8.53	9.06	9.62
30	8.06	8.26	8.59	9.12	9.69
31	8.13	8.32	8.65	9.20	9.77
32	8.18	8.38	8.73	9.29	9.86
33	8.25	8.44	8.81	9.40	9.94
34	8.32	8.52	8.87	9.49	10.04
35	8.39	8.60	8.98	9.61	10.14
36	8.47	8.68	9.08	9.71	10.25
37	8.54	8.77	9.18	9.85	10.37
38	8.63	8.85	9.30	9.97	10.48
39	8.73	8.96	9.43	10.12	10.61
40	8.84	9.07	9.56	10.27	10.75
41	8.91	9.17	9.71	10.42	10.88
42	9.03	9.31	9.87	10.59	11.03
43	9.14	9.47	10.04	10.77	11.20
44	9.27	9.61	10.22	10.94	11.37
45	9.42	9.78	10.42	11.13	11.55
46	9.60	9.99	10.63	11.35	11.76
47	9.78	10.21	10.84	11.58	11.98
48	9.98	10.43	11.08	11.81	12.20
49	10.19	10.67	11.32	12.05	12.44
50	10.43	10.94	11.58	12.31	12.71
51	10.72	11.21	11.86	12.60	13.00
52	11.00	11.50	12.13	12.92	13.30
53	11.30	11.79	12.44	13.24	13.62
54	11.62	12.13	12.74	13.60	13.97
55	11.95	12.45	13.07	13.97	14.36
56	12.32	12.81	13.45	14.37	14.76
57	12.72	13.20	13.88	14.83	15.23
58	13.14	13.61	14.28	15.31	15.68
59	13.55	14.04	14.76	15.79	16.20
60	14.02	14.46	15.24	16.30	16.75

### Southland Life Increase

The Southland Life of Dallas is increasing its rates. The new rate book will soon be out and agents were given until Jan. 15 to take applications at the old rate. There is an upward swing in the revision.

### Prudential Continues Scale



## NEWS OF LIFE ASSOCIATIONS

### Act on Agency Relations Plan

#### San Francisco Association Names Special Committee to Carry Out Elimination of Part Timers

To foster harmonious and understanding inter-agency relationship and to bring about the "effective, practical application of the inter-company agreement with reference to elimination of part time agents and marginal producers," an agency relations committee has been formed by the San Francisco Life Underwriters Association.

The committee will consist of Walter Robison, Penn Mutual Life, vice-president representing the personal producers; C. H. Linford, C. L. U., vice-president representing the Chartered Life Underwriters, and V. T. Motschenbacher, representing the general agents and managers. T. A. Gallagher, president of the association, will serve ex-officio.

#### Nelson Confers with Riehle

Action looking toward formation of the committee was taken by the research committee following the return of Chairman Nels J. Nelson from an eastern trip during which he conferred with Theodore M. Riehle, president National Association, regarding application of the "Riehle plan" for elimination of part-timers and marginal producers.

Previously the association had secured from the department of insurance lists of all licensees of the various agencies of the city which were sent to each general agent and manager with the suggestion that he scan the list carefully with a view to possible elimination of any "dead timber" or agents which, under the inter-company agreement, should be dropped. In most cases there is more or less complete cooperation in the application of the agreement, but there are some offices which still have on their agency roster, part-time agents and others which, under the agreement, should be eliminated. It is toward clarification of this situation the newly appointed committee will turn its attention.

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### Virginia Association Asks Check on New Applications

The Virginia State Association of Life Underwriters held its annual meeting in Richmond. Officers were elected as follows: Wallace G. Robertson, Norfolk, president; H. W. Fore, Danville; Lewis I. Held, Richmond; E. Dudley Calhoun, Roanoke; E. G. Hamner, Jr., Lynchburg; George Chapin, Newport News, vice-presidents; Lester S. Sherrick, Norfolk, secretary-treasurer. The following directors were named: J. A. Patterson, Danville; Lloyd Grove, Norfolk; Charles Phillips, Richmond; Joseph Herbert, Roanoke; L. A. Wallace, Lynchburg; E. W. Fenn, Newport News.

In his annual report, James C. Harding, Roanoke, retiring president, expressed the view that the time is ripe for the creation of a state board or commission to pass on the applications of persons seeking agents' licenses in Virginia. He also suggested that insurance men get behind the movement to have the legislature enact a law allowing investment of fiduciary funds in life insurance. Wilson M. Brooks and Lewis I. Held were appointed a committee to study ways and means of developing these ideas preliminary to the next session of the general assembly.

Mr. Harding's report showed that there are at present 8,200 licensed underwriters in Virginia. Earlier in the day, members of the state group joined in a meeting of the Richmond association at which Russell P. Thierbach, assistant director of agencies of the Northwestern Mutual Life, was the guest speaker.

### Thompson Resigns at Detroit

#### Executive Secretary of Qualified Life Underwriters and Michigan Association to Practice Law

DETROIT, Jan. 14.—H. B. Thompson, who has served efficiently as executive secretary of the Qualified Life Underwriters for the past three years, has resigned to devote his entire time to his growing law practice. Mr. Thompson has made an outstanding record during this period, his efforts having done much toward building up the association both from a membership and a financial standpoint.

#### Succeeded Criswell

Mr. Thompson succeeded C. F. Criswell as executive secretary of the association in 1933. Mr. Thompson, who had previously headed the life insurance division of the Detroit Better Business Bureau, was also elected executive secretary and general counsel of the Associated Life General Agents & Managers and secretary-treasurer of the Michigan State Association of Life Underwriters. He will remain general counsel for the managers' association.

From a membership of 146 when he took charge, the qualified membership has grown to about 375 today. During his administration the association was taken out of the red financially and was placed in a favorable position.

Dues activities will be transferred to the office of J. H. Kennedy, Equitable of New York, treasurer, and correspondence will be handled by President H. B. Knaggs, New England Mutual.

\*\*\*

### Philadelphia Jubilee Is Attended by Notables

The Philadelphia Association of Life Underwriters celebrated its golden jubilee with a capacity attendance of 1,000 men and women, including the presidents of at least 18 life companies and leaders in the business, civic and professional life of Philadelphia.

The celebration was in the form of a dinner. Preceding the banquet, a reception was given the company executives attending and their general agents. Three speakers were on the program—Thomas I. Parkinson, president Equitable Life of New York; Secretary of Commerce Daniel C. Roper, and Representative Dewey Short of Missouri. The National Broadcasting Company furnished entertainment.

\*\*\*

### Speakers at Michigan Meet in Ann Arbor Are Announced

ANN ARBOR, MICH., Jan. 14.—Extensive plans are being made for entertainment of the annual convention of the Michigan State Life Underwriters Association May 6-7. An attendance of 1,000 or more is expected.

Albert W. Atwood, well-known writer on economic subjects, will speak at the public meeting which will be a highlight of the convention. Other speakers include Grant Taggart, Cowley, Wyo., chairman Million Dollar Round Table and A. E. Patterson, vice-president Penn Mutual Life and until recently president of the National association.

C. F. Yates, a past president of the local association, is general chairman of arrangements for the convention and Fred Evans is secretary. H. W. Florer, general agent Aetna Life, Grand Rapids, is now president of the state association.

\*\*\*

### Busman Heads Nebraska Body

L. H. Busman of the General Accident has been elected president of the Nebraska Casualty Claim Association

at Omaha. W. G. Richard, Fidelity & Casualty, was chosen secretary and treasurer. George Long of the Globe Indemnity is the retiring president. Mr. Busman served as secretary and treasurer last year. The association held a holiday party for members and associates.

\*\*\*

### Five Speakers on Program

#### Nationally Known Men to Address Tri-City Sales Congress in Texas, Jan. 26-28

DALLAS, Jan. 14.—Five speakers of national prominence in life insurance have been enlisted for the annual Tri-City sales congress sponsored by the Texas Association of Life Underwriters to be held in the Rice Hotel, Houston, Jan. 26; St. Anthony Hotel, San Antonio, Jan. 27; and Adolphus Hotel, Dallas, Jan. 28.

These speakers are I. S. Kibrick, Broston, leading producer New York Life and president Top Club; H. J. Johnson, Pittsburgh, general agent Penn Mutual; J. M. Gantz, Cincinnati, general agent Pacific Mutual; A. R. Jaqua, associate editor "Diamond Life Bulletins," Indianapolis; and P. O. Works, St. Louis, general agent Penn Mutual. Mr. Works will discuss closing and Mr. Gantz will speak on "Life Insurance Can Be Merchandised." He also will speak at luncheons for managers in each of the cities.

The program was arranged by Ricks Strong, Dallas general agent General American Life and president Texas association. Local associations in the host cities will be in charge of local arrangements and the Fort Worth body will cooperate with the Dallas association. O. Sam Cummings, Dallas, Texas, manager Kansas City Life and National Association of Life Underwriters vice-president, will represent that body.

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### Headliners on Birmingham Program for Sales Congress

The program has been completed for the annual one-day sales congress of the Birmingham Association of Life Underwriters on Jan. 21. The speakers are Joseph M. Gantz, general agent of Pacific Mutual Life in Cincinnati; Leon Gilbert Simon, associate general agent Equitable Life of New York, New York City; Roger B. Hull, managing director National Association, and Grant Taggart, California-Western States Life, Cowley, Wyo., who is chairman of the Million Dollar Round Table.

Mr. Gantz will speak on "Life Insurance Can Be Merchandised." Mr. Simon is a writer and authority on business insurance which will be his subject. Mr. Hull will also deliver a radio address while in Birmingham.

Superintendent Julian of Alabama will speak at the luncheon. J. Orlando Ogle is chairman of the sales congress committee and Huston L. LaClair is chairman of the program committee.

\*\*\*

### Seeks Change in Texas Law

Matthew Brown, San Antonio, chairman of the legislative committee of the Texas Association of Life Underwriters, has sent out a letter, appealing to the officers and legislative committee members of the local associations for their support in securing the passage of a bill which will permit the investment of funds left to a minor in a life insurance contract or in an annuity. Heretofore, it has not been possible to invest such funds in any form of life insurance, and the bill provides for the amendment of the law now providing that such funds may not be invested other than in certain types of bonds specified. The bill provides for investment in legal reserve life insurance and permits the guardian, where there is an insurable interest of the minor in the guardian's life, to invest funds in buying a policy on the life

of the guardian, for the benefit of the ward.

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Jacksonville, Fla.—W. I. Pittman, general agent for the John Hancock Mutual Life at Birmingham, Ala., spoke at the January meeting.

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Kansas City, Mo.—The association will publish a list of members in the local newspapers every three months, President V. Webner Wiedemann has announced.

\*\*\*

Springfield, Mass.—Vice-president Chester O. Fischer of the Massachusetts Mutual Life told the association the man who would succeed was the man who is uneasy until he gets out into the field to contact prospects.

\*\*\*

St. Louis—Paul W. Cook, instructor of agents of the A. A. Drew agency of the Mutual Benefit Life in Chicago, spoke Thursday on "Motivation."

\*\*\*

Northern New Jersey—A luncheon will be tendered to the members by the officers of the Fidelity Union Trust Co. of Newark, Feb. 8. It is expected that more than 200 will attend. J. L. Ellinwood of the New York City Y. M. C. A. will be the speaker.

\*\*\*

Boston—Vincent B. Coffin, superintendent of agencies Connecticut Mutual Life, will speak on Jan. 21 on "Time to Get Excited."

\*\*\*

Jonesboro, Ark.—L. M. Wilson, president of the Arkansas association, was re-elected president; T. M. Rea, Mutual Life of New York, vice-president; Dick Hiett, Metropolitan Life, secretary-treasurer; D. B. Aycock, Lamar Life, national committeeman. Mr. Aycock reviewed the activities of the National association, the local organization and told of plans for the sales congress in Little Rock.

\*\*\*

Cincinnati—Two agents from each agency, the leader in lives written and the leader in volume will be honored at a banquet Jan. 21. They will be guests of their managers. President Claris Adams of the Ohio State Life is to be the featured speaker. Prominent Cincinnati civic leaders and business men have been invited and Superintendent Bowen will be present. Manager R. C. O'Connor of the Reliance Life is in charge of the arrangements and attendance is limited to the leading agents and manager for each company.

### Lamar Life Regional Meets

Four regional meetings of Lamar Life agents from as many states are being held by a home office delegation headed by Dr. J. O. Segura, vice-president and agency director.

E. W. Inmon, district manager, was host for the first meeting in Pontotoc, Miss., Jan. 12. This meeting, for the northeast Mississippi agents, was arranged by R. B. Nelson, agency supervisor. The second meeting was Jan. 14 in Birmingham, Ala., with T. E. Wheeler, district manager, as host to the Alabama representatives. Agents from central Tennessee will attend the third meeting Jan. 16 in Nashville, with Frank M. Philips, field supervisor, as host. Arkansas and west Tennessee agents will meet in Memphis Jan. 18 with Russell Blair, district manager, as host. Delegations headed by M. E. Klindworth and D. B. Aycock, Arkansas district managers, will be present.

The home office representatives in addition to Dr. Segura are: Edgar G. Olden, superintendent of agents; Rex B. Magee, advertising manager, and H. W. Mizell, assistant secretary.

### UNUSUAL OPPORTUNITY FOR A PROGRESSIVE LIFE INSURANCE CO.

A successful General Agent with agency force of 10 well qualified personal producers writing over \$2,500,000 in 1936 open for a proposition for Detroit territory.

ADDRESS F-10,  
NATIONAL UNDERWRITER



## AS SEEN FROM CHICAGO

### POSITIONS ARE NOW REVERSED

H. A. Behrens of Chicago, president of the Continental Casualty and Continental Assurance, who has been chairman of the insurance division of the Illinois chamber of commerce for the last few years and has done a remarkably fine piece of work, is being continued in a prominent way on the committee, having been appointed chairman of the executive committee of the division. James S. Kemper, president of the Lumbermen's Mutual Casualty and head of a well known mutual company syndicate, is made chairman of the division. Mr. Kemper and Mr. Behrens have worked together for the best interests of the business and they will continue along the same course. Mr. Kemper is an outstanding man who has great influence in business and financial circles of the state. Therefore with the change in position Mr. Kemper is honored for the faithful service he has rendered and Mr. Behrens is continued in an important post so that he can work in cooperation with his team mate as he has before.

Chairman Behrens of the executive committee states it will be useless to call a meeting of the general committee until the insurance code has been carefully reviewed by all those interested, until conclusions as to certain provisions are revised and until the code has been introduced, with amendments which will permit a more adequate understanding of what form the final draft is likely to take.

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### INSURANCE STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	30 1/2	31 1/2
Bank. Nat. Life	10	1.00	28	31
Build. Life, Ill.	1	...	1	3
Central Life, Ill.	10	...	9	...
Cent. States Life	5	...	3	5
Columbia Nat.	100	4.00	80	90
Conn. Gen. Life	10	.80	34	36
Cont. Assurance	10	2.00	38	40
Cont. Am. Life	10	1.20	30	34
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	...	8	...
Gard. Life	10	.40	11	13
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	30	33
Life & Cas., Tenn.	2	...	15	17
Life of Va.	20	3.00	73	80
Lincoln National	10	1.20	26 1/2	27 1/2
Mo. State Life	10	...	...	...
Natl. Life & Ac.	10	1.60	65	75
Northw. National	5	.60	16 1/2	17 1/2
North Amer.	2	...	2 1/2	3 1/2
Ohio National	10	1.00	24	28
Ohio State Life	100	10.00	225	...
Old Line Life	10	.60	16	17
Pacific Mutual	1	...	3	4
Peoples Life, Ind.	10	.60	20	25
Philadelphia Life	10	...	3 1/2	4 1/2
Rockford Life	10	...	4	8
Sun Life, Can.	100	...	970	1000
Travelers	100	16.00	500	510
Union Central	20	1.20	21	...
Wisconsin Natl.	10	.50	16	18

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### PRODUCES TWO NATIONAL LEADERS

The A. A. Drew agency of the Mutual Benefit in Chicago again in 1936 supplied ranking agents 2 and 3 for the United States, finishing the year with almost half a million dollars gain in paid-for. A. R. Houle, Chicago agency leader and No. 2 man, held No. 1 place for the last months of the year until November when he was nosed out by a narrow margin. Although Mr. Houle attained million dollar production for the first time in '36, he has been a substantial producer since he entered the business in 1919, specializing in business insurance and estate planning. Paul W. Cook, instructor of agents, second for the Chicago agency, is the author of the "Cook Book" ("recipes" for successful life insurance selling) and a life and producing member of the Million Dollar Round Table. He has produced at the rate of at least a million dollars paid a year consistently since 1928. He ranked as third Mutual Benefit man in 1934, fourth in 1935 and third in 1936. He

led the field forces every month up to and including last July.

Bruce Parsons, who led the field force last year and appeared four times on the million dollar list in the last six years, finished third in volume for the agency in 1936. An unprecedented number of declinations topped him from the Million Dollar ranks this year.

N. E. Andersen was agency lives leader for the third consecutive year. He is also a consecutive weekly producer. These four men are all holders of the C. L. U. designation. This agency, small in number of agents, has given four general agents to the company in recent years, ex-Chicagoans now serving in that capacity at Washington, D. C., Milwaukee, St. Louis and in Maine. The agency has the highest percentage of C. L. U. designation per number of full time agents of any office in Chicago, according to the Chicago Life Underwriters Association.

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### ALLISON TEMPORARILY IN CHARGE

Norman K. Allison temporarily is acting manager of the Connecticut General's branch office in Chicago, consequent upon the promotion of Manager F. H. Haviland to vice-president at the home office. Mr. Haviland, who has been conferring with the officials in Hartford for several days, was to return to Chicago this week to clear up his affairs there. Mr. Allison is a successful producer who started in Meadville, Pa., as agent three years ago,

### Chicago Man Marks 20th Year with Phoenix Mutual



BENJAMIN H. OLIVER

Benjamin H. Oliver, member of the Chicago agency of the Phoenix Mutual Life, of which R. A. Judd is manager, celebrated his 20th anniversary with the company. He quit the coal business Jan. 2, 1917, to enter life insurance. He has been prominent in the business in Chicago for many years and has been active in the Chicago Association of Life Underwriters.

Three months after he entered the business, shortly after the United States entered the world war, his company eliminated the writing of coverage on all men between the ages of 21 and 30. He said: "A young man who thinks it is tough entering the business in 1937 might think of this." He was highly praised by Mr. Judd for his devotion to business and his loyalty to the company.

"Probably but few insurance men on La Salle street in the last 20 years have insured more lives, settled more claims or written a higher caliber of business," Mr. Judd says. "It is men like him who give stability to the life business."

going to Chicago nine months ago as supervisor in the Haviland agency.

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### CHICAGO TELEPHONE DIRECTORY

The 1937 edition of the Chicago Telephone Insurance Directory issued by THE NATIONAL UNDERWRITER is out this week. It was compiled and published under the direction of Associate Manager Otto E. Schwartz. It gives all insurance offices in the Insurance Exchange in one part and outside offices in the other. The price at THE NATIONAL UNDERWRITER Chicago office is \$1. The price by mail is \$1.05. Only cash orders are filled.

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### DINGLE ON FLORIDA TRIP

J. H. Dingle of Bokum & Dingle, general agents of the Massachusetts Mutual Life at Chicago, is spending two weeks on vacation in Florida.

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### KEMP ON MEDITERRANEAN CRUISE

D. C. Kemp, agency manager in Chicago for the Equitable Life of New York, accompanied by Mrs. Kemp, will sail from New York Jan. 16 on the Italian liner "Rex" for the Mediterranean. After touring Italy by automobile and visiting on the French Riviera, they will return to New York on the Italian liner "Saturnia," which sails from Trieste, stopping at Patras, Greece; Naples, Palermo, Algiers, Portugal and the Azores.

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### ACACIA'S BRANCH IS 100 PERCENT

A list of Chicago "100 percent" agencies did not include the Acacia Mutual office there which qualified all agents as members of the Chicago Association of Life Underwriters. The Acacia branch held a party celebrating gain in force made last year greater than any of the previous five years and five times greater than in 1935. The producers club and office force presented Manager P. A. Trezise a metal set of book ends, desk lamp and two portable streamlined floor ash receivers.

### Minnesota Department May Be Put Under Civil Service

ST. PAUL, Jan. 14.—Minnesota may soon join that group of states whose insurance departments are under civil service regulations. The present legislature will be asked to consider the advisability of putting the insurance and other state departments on this basis, in the belief that it would mean greater efficiency.

While the vicissitudes of politics have not affected the Minnesota department as much as in some other states, there nevertheless has been considerable turnover in jobs with each change in administration. Civil service would put an end to this as all employees, even the key men, would be required to pass an examination and once they were appointed to jobs could not be removed except for cause or inefficiency. The head of the department, of course, would not be under the civil service rules. He would continue to be chosen according to party affiliation.

### Rules on Newspaper Policies

HARRISBURG, PA., Jan. 14.—Commissioner Hunt of Pennsylvania has ruled that in all cases where sale of insurance is handled through newspaper offices, the transactions must be kept separate from subscriptions, and subscribing to the paper may not be made a condition of issuance of the policy. The ruling was sent to all insurance companies doing business in the state.

The ruling, Mr. Hunt explains, is made necessary by the anti-discriminatory sections of the insurance statutes, which forbid discrimination in rates or other conditions between individuals eligible for the same type of insurance policy, or offering special inducements for the purchase of insurance policies.

## SOUTH

### Mutual Assessment Concerns in Texas Start Association

DALLAS, Jan. 14.—Chafing under what they said were "reflections upon the integrity of their concerns" in statements recently made in Dallas by some of the postal authorities, representative of the state-wide mutual assessment companies of Texas met here to organize a state association "to educate the public to the advantages offered by the state-wide mutuals and the stability of their concerns."

The postal authorities a few weeks ago announced that the affairs of at least two mutual insurance companies in Texas would be aired before the federal grand jury at the next session. The statement further said the affairs of some 40 other mutual concerns were under investigation by the postal department.

"This statement reflects on the state-wide mutuals of Texas unfairly," said Z. B. Freeman, the association's secretary. "There are only 44 state-wide mutual life concerns in Texas and they operate under the state laws and under the supervision of the state banking department and may be examined by the insurance department. The number of policyholders in our concerns, more than 200,000, indicates the people do approve of our type of insurance."

At the meeting it was decided that the companies would work "together to improve the ethics of their business and to establish an information clearing house which would seek to eliminate any company which does not adhere to the authorized ethics."

The Associated Mutuals of Texas is the name of the new organization. J. W. Hanner was elected president, Ernest W. Wilson, Mrs. Wirt Roberts and D. C. Tabor, vice-presidents; Z. B. Freeman, secretary-treasurer. In addition to the officers R. E. Shackelford and M. J. Carroll compose the board of directors.

### Drive Is Launched Against Mail Outfits in Oklahoma

OKLAHOMA CITY, Jan. 14.—Another drive has been launched by Commissioner Read of Oklahoma to stop the public from dealing with unlicensed mail order companies preying chiefly on the aged and feeble who are unable to purchase insurance from regular companies. The commissioner sent a warning to newspapers, stating that such concerns are not really insurance companies but are associations which issue certificates instead of policies and which in many states do not come under the supervision of the insurance department.

The certificates are issued by many of such associations without medical examination to persons up to age 85 years at a ridiculously low rate, in some instances as low as \$1.25 per month, which in itself should be sufficient to expose the fallacy of the plan, he pointed out.

The commissioner stated that many complaints of non-payment of claims are being received at his office but that there is nothing he can do to aid the claimants, and that if a disputed claim arises, suit can not be brought in Oklahoma.

### Richmond Managers Organized

Linwood Butterworth of Davis & Butterworth, Richmond, Va., general agents of the New England Mutual Life, heads the newly organized General Agents & Managers Association of that city. Parks P. Duffey, general agent Connecticut General, is secretary-treasurer. The organization starts off with 100 per cent membership.



## LEGAL RESERVE FRATERNALS

### Asks Extension of Time Limit

Consulting Actuary Feels April 1 Filing Date for Valuation Reports Should Be Granted

A consulting actuary raises the point in connection with the fraternal section of the proposed Illinois code that while it provides for valuation reports to be filed by March 1 it would be a great convenience to the societies to have the filing date changed to April 1.

The actuary said he had hoped there would be some agitation among consulting actuaries to this end but apparently no concerted effort was made and the date stands. There is, however, some discretionary power given the insurance director to extend the date for filing to not more than two months after March 1.

"A good many consulting actuaries find themselves pretty much in a jam the first two months of the year because societies whom they represent are not all prepared to furnish promptly the data needed for valuations," this actuary comments. "As a result, the last two weeks in February become more or less of a nightmare." He expressed the hope that the department would make this concession, and possibly even that the statute would be changed to that effect. He also said it would be a convenience to avoid the necessity for each society every year to be required to secure permission to this effect and urged that instead a consulting actuary be granted a 30 day extension upon request for all societies that he serves.

### Mortensen of Wisconsin Is Speaker at Neenah Rally

NEENAH, WIS., Jan. 14.—Commissioner Mortensen of Wisconsin was principal speaker at a luncheon meeting of the Fraternal Life Underwriters Association of Northeastern Wisconsin and Upper Michigan here. B. E. Mayerhoff, Appleton, president, presided. Advantages of the social security act in selling life insurance were explained by Walter Brummond, Appleton, assistant counsel Aid Association for Lutherans; advantages of life insurance over social security benefits by A. H. Blankenburg, Appleton.

A sales demonstration was given under direction of A. F. Larsen, Equita-

ble Reserve, Neenah, followed by an address on selling juniors by I. E. Racine, Kenosha, representative Catholic Order of Foresters. Other officers of the association are Marjorie Bolles, DePere, vice-president, and A. J. Caldwell, Neenah, secretary.

### W. O. W., Omaha, Has Big Increases During the Year

All records of the Woodmen of the World, Omaha, were broken in 1936, new certificates totaling \$108,123,000 being issued on 90,000 new members. More than 3,000 camps participated.

President De E. Bradshaw reported \$9,753,600 in benefits was paid to members and beneficiaries in 1936, and since organization \$258,624,900 benefits were paid.

Gross assets showed marked increase total being \$124,930,700. Bond investments in 1936 totaled \$16,602,000; loans on members' certificates \$4,062,156, interest received from all sources \$6,055,622.

The society distributed to members in February, 1936, \$1,496,000 in refunds. Free tubercular treatment and maintenance was given 630 members in the memorial hospital at San Antonio in 1936.

### Argue Arkansas Tax Cases

Attempt to collect back taxes from fraternal organizations operating in Arkansas may cause them to abandon their life insurance features, J. W. House, attorney for a society, declared in oral argument before the Arkansas supreme court in three of 36 cases originating in Pulaski county in the state's effort to tax fraternal societies similarly to old line life companies. These three cases involve the Woodmen of the World, Maccabees and Woman's Benefit, the back tax judgments sought by the state totaling \$230,738.

The fraternal, Mr. House said, have operated in Arkansas without ever being required to pay the tax levied against foreign life companies ranging from 1.5 to 2.5 percent of gross premiums collected in the state. The societies have enjoyed statutory exemption, which Mr. House argued is in force. A. W. House, representing another fraternal, asserted the state is endeavoring to collect taxes from persons, who constituted the membership years ago and not from present members. He argued the state lacks authority to do this.

### Honored by Georgia Governor

De E. Bradshaw, president Woodmen of the World, Omaha, and Dr. H. B. Kennedy, assistant medical director, have been commissioned honorary lieutenant colonels on the staff of Governor Rivers of Georgia. They attended the governor's inauguration, when they received the commissions. The previous evening they attended a meeting of Georgia Woodmen in Atlanta at which a special De E. Bradshaw class was initiated. Governor Rivers is a member of the W. O. W. and a close friend of the two officials, who were among leaders of the grand march at the inaugural ball.

H. C. Fabian, W. O. W. state manager, also was appointed a member of the governor's staff.

### O'Malley to Resubmit Code

JEFFERSON CITY, MO., Jan. 14.—Superintendent O'Malley plans to resubmit to the Missouri general assembly his insurance code bill that met defeat at the last session principally through the opposition of fraternal societies and town mutual fire companies.

The new measure that will be submitted to the present legislature will contain practically all of the provisions

of the 1935 bill, including provisions for more rigid regulations for fraternal societies and town mutuals and also for the tightening of the provisions covering the investments of insurers.

Superintendent O'Malley is especially opposed to the "open contract" used by many fraternal societies. He would prevent the fraternal societies from changing the terms, benefits or rates of their policies once they are issued through the instrumentality of amendments to their by-laws. He also wants the fraternal societies to maintain proper reserves for the protection of their members and their beneficiaries.

### Woodmen Circle Increases

The Woodmen Circle had a 6 percent increase in new certificates issued during 1936—the total protection in force rising to more than \$109,000,000. There are 135,000 women and children members' in 44 states.

Gross assets increased to more than

\$30,000,000. Benefits paid were about \$2,000,000 and total benefits paid since organization \$37,000,000. Mrs. Dora Alexander Talley is president of the society, and Mrs. Mamie E. Long secretary.

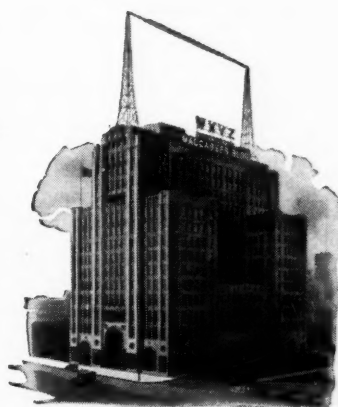
### Durgin Not Confirmed

AUGUSTA, ME., Jan. 14.—Linwood S. Durgin, Lewiston local agent who was recently appointed insurance commissioner of Maine by Retiring Governor Brand, a Democrat, failed of confirmation when the Republican governor's council came in with Governor Barrows this week. Commissioner Spencer's term expired some months ago and he has been a holdover since.

L. E. Diederichsen, cashier for the Los Angeles agency of the General American Life, returned to his duties after an absence of nearly three months due to a fractured leg. Two surgical operations were required.

## THE MACCABEES

59 years of fraternal service



Life, Disability  
Retirement Income  
Health & Accident

PROTECTION

205,000 Members

Two Old Age Homes—Direct Benefits to Thousands of Needy Members

—endowed hospital beds

—free nursing service

C. L. BIGGS  
Supreme Record Keeper

E. W. THOMPSON  
Supreme Commander

DETROIT, MICHIGAN

## Prospect Leads?

Lutheran Brotherhood field men need never be idle for lack of prospects. Our men have a selected field of operation. All Lutheran men, women and children are eligible for Brotherhood insurance.

Lutheran salesmen, for a greater field in selling, write

**LUTHERAN BROTHERHOOD**  
LEGAL RESERVE LIFE INS.

Herman L. Ekern, President  
Minneapolis Minnesota

### THIRTY-FOUR YEARS OF FRATERNAL SERVICE AND ACHIEVEMENT



Our Own Home Office Building

The Aid Association for Lutherans has enjoyed a consistent growth since its organization in 1902 as a purely fraternal association, and now has

## AID ASSOCIATION

FOR

**LUTHERANS**

(Legal Reserve Life Insurance)

APPLETON, WISCONSIN

**\$167,000,000.00**

Insurance in Force with Total Assets over \$21,278,000.00

### A REMARKABLE SIX-YEAR DEPRESSION RECORD

Assets, Dec. 31, 1929.....	\$ 9,330,284.14
Assets, Oct. 1, 1936.....	21,278,116.66
(Increase 128.05%)	
Insurance, Dec. 31, 1929.....	\$ 92,510,000.00
Insurance, Oct. 1, 1936.....	166,940,304.59
(Increase 80.45%)	

During this period, the Association paid \$10,869,497.88 to certificate holders and beneficiaries.

## SALES RECORDS

**State Mutual**—With December paid business greater than that of any month since November, 1931, and showing a gain over December, 1935, of 23.6 percent, the company has made an increase every month for 16 months over business of the same month the year before. Paid business for the year, with a gain of 13.3 percent over 1935, was the largest volume produced since 1931. In addition to an increase in the number of policies paid, there was a 9 percent gain in the average size case.

**Great-West Life**—Final production records for the year 1936 show an increase in new business of approximately 5 percent for the year. Individual increases in production were reported by practically all of the agencies in the United States, while the Minnesota, Detroit and Chicago agencies were among the first seven leading agencies.

**Philadelphia Life**—Paid business in 1936 totaled \$5,001,381, an increase of 22.8 percent. Gain of \$461,513, business in force. December paid was ahead 105 percent. The agents' four month fall campaign brought a 70 percent gain in paid business.

**Lincoln National Life**—53.7 gain in paid business for December, the largest December increase in eight years. This upturn indicates that greater life insurance sales are ahead for 1937, the company officials said. New sales for last year were approximately the same as 1935.

**State National Life**—Increase of 18 percent in insurance in force as of Dec. 31.

**General American Life**—New paid ordinary totaled \$12,895,800 in 1936 and group \$12,326,600.

**Manhattan Life**—New paid business last year shows an increase of 24 percent over 1935.

**Pacific Mutual**—Despite its difficulties last year the new business totaled \$56,500,000 paid for as of Dec. 31 and insurance in force as of Dec. 1 gained more than \$10,000,000. The final in force figure is not available. Report of finances as of July 22 showed assets increased more than \$7,000,000. Due to various problems resulting from the rehabilitation the actuarial department has been swamped but expects to have final 1936 figures in a short time.

**Business Men's Assurance**—Paid business increased 7.6 percent in 1936 on a point basis. Although \$2,500,000 less new life insurance was written in 1936 the gain in force was \$3,529,947, compared with a gain of \$1,361,000 in 1935. First year renewals increased nearly 5 percent. First year accident and health premiums increased 13 percent. December business was ahead 12.7 percent.

There were 23 percent more men

qualified for the Grant Club directorate on Dec. 31 than on the same date in 1935, and had 14 percent more Grant Club members—110, compared with 98.

The company had \$104,973,517 of life insurance in force on Dec. 31. Each year since it began writing life in 1920, the company has shown an increase in force. In 1920, it had \$2,007,500 of life business on the books.

A. W. Recker, an agent in rural Missouri with headquarters at Caruthersville for 24 years, led the entire field force in December with 325 points (the equivalent of \$2,275 in premiums) and qualified for a directorship in the Grant Club for 1937. He also led in paid life insurance with \$88,500, and is leader in paid life insurance for the year for the entire company.

Thorpe B. Isaacson of Salt Lake City led all Business Men's Assurance salesmen for 1936 with a paid production of 4,491 points, the equivalent of \$31,437 in premiums. This is a new all-time high for the company and automatically "elects" Isaacson president of the Grant Club. R. E. Sanders of California becomes vice-president with 2,739 paid points. Mrs. Carrie Summers of Texas was fifth with 1,743 points.

**Jefferson Standard**—It reports 1936 paid business totaling \$50,100,000, an increase of 2 percent over 1935. The amount of insurance in force totals approximately \$348,000,000. Its agents will operate on a "budget plan" in 1937. It involves the usual time control elements, plus a definite system for prospecting and improved selling methods.

The 1937 convention will be in April. Approximately 150 agents have qualified for the convention, which will be held in San Antonio, and Monterey, Mexico.

**Harry Ross, Jr., Guardian Life, Boston**—Reports last quarter showed a 60 percent increase in business over the similar period of 1935. Mr. Ross assumed charge of the agency Aug. 1 last.

**E. F. White, Connecticut Mutual Life, Dallas**—Starting from scratch in June, 1933, the agency has gradually built up to an annual production of over \$4,250,000. December was the best month in the agency's history with \$1,032,000 paid business. For the last three years the White agency has exceeded \$4,000,000 in volume, 1936 with \$4,300,000 setting the record.

**Nathaniel Reese, Provident Mutual Life, Detroit**—Ranked second in paid new business among all the agencies of the company.

**A. P. Johnson, Great-West Life, Detroit**—Gain of 7½ percent in paid premiums in 1936. Eleven of the 22 men under contract produced an average of \$201,950 of paid for business each, qualifying half of the agency force for the company's top production club.

**Stumes & Loeb, Penn Mutual Life, Chicago**—Won the inter-agency cup in its group for the second time, for having the greatest increase in number of lives insured. The office led for seven months out of the 12-month contest, in which 20 general agencies in its group took part. The Stumes & Loeb office also won a cup for the 1934 competition.

**L. C. Mersfelder, state manager Kansas City Life, Oklahoma**—Reports best renewal experience for 1936 in the history of the agency, despite the intense drought last summer. Volume of business in force increased, bringing total to \$25,000,000. Number of policyholders materially increased. As Mr. Mersfelder is completing his 25th year with the company, a goal of \$5,000,000 has been set for 1937, 25 percent higher than any previous record made by the agency.

**J. O. Andrews, "Mile Hi" agency, Union Central Life, Denver**—Reports paid for 1936 business of \$2,325,863, of which \$359,545 was paid in December. The two leading men of the agency are Clinton Smith of Grand Junction, Colo., and A. W. Tell of Scottsbluff, Neb., both of whom qualified again for the company's \$500,000 Club meeting in Miami in February. Mr. Smith, with a paid 1936 business of \$507,544, qualified for the fifth consecutive time, and Mr. Tell, with \$504,158, made the club for the seventh consecutive time. He is a charter mem-

ber. Mr. Andrews also qualified, for the fifth consecutive time.

**W. C. Peck, Illinois, Reliance Life**—Increase of 76 percent in written business and a 52 percent increase in paid business for December. This was the eighth consecutive monthly increase. The total for 1936 is ahead 36 percent.

**F. Crook Whatley, Aetna Life, northern California**—William H. Brock, Jr., and Edwin H. Robinson, made outstanding records for new men in 1936. Mr. Brock became associated with the agency last June and in the six months period to Dec. 31, wrote \$261,300 of new business. He was formerly with the Union Oil Company. Mr. Robinson, who has been affiliated with the Aetna for less than two years, led the entire northern California staff in paid applications with 110 for 1936. December was the agency's biggest month during last year and in appreciation Mr. Whatley staged a party for his agents.

**H. Allen Nye, Equitable Life of New York, Denver**—The Nye agency won the western department's six weeks fall sprint with 493 applications for \$1,790,000, about 70 percent of which was on binder. The quota of 314 applications was exceeded and an increase of 57 percent in applications and 71 percent in volume was registered over last year's sprint. With the exception of one \$250,000 case there were no large applications to swell the volume, some agents producing as many as 20 applications. Units under Managers W. E. Burney and J. H. Winchell led their respective classes. Roy J. Bayless, Million Dollar Round Table member, wrote \$300,000 in the six weeks. December sales totaled \$1,003,226, with \$31,147 premiums, establishing a new monthly paid production record for the Colorado-Wyoming agency. The western department of the Equitable totaled 4,069½ applications and \$17,232,959 for the six weeks fall sprint. The A. A. Dewar agency of Los Angeles was second.

**J. Stanley Edwards, Aetna Life, Denver**—Reports premium income 45 percent ahead of 1935. About \$2,000,000 of business was written. Group insurance for 1936 was 60 percent greater in volume. Accident business ran 75 percent higher.

**W. H. Van Sickle, State Mutual Life, St. Louis**—Reports an increase of 27.45 percent in business in 1936, ranking sixth among the 52 agencies of the company throughout the country.

**A. M. Embry, Equitable of New York, Kansas City**—Paid for \$14,250,000 in 1936 on approximately 6,000 cases. This represented nearly \$500,000 in new premiums. The agency had 60 \$100,000 producers.

**A. F. Gills, Provident Mutual Life, Newark**—10 percent gain in paid production in 1936.

**Percy H. Hearle, Phoenix Mutual Life, Syracuse, N. Y.**—Gain in regular paid premiums, exclusive of single premiums and surplus line, of 17 percent, and a gain in regular paid business from the Phoenix organization exclusively of 21.4

percent in 1936. The 1935 gain was also substantial and the 1936 total represented 98.6 percent of the total paid regular paid premiums for 1929, which was the best year in the history of the agency. The 1936 record exceeded all other years by a considerable margin.

**Arthur J. Hill, State Life of Indiana, California**—Led all agencies of company in December for 15th consecutive month. E. E. Nelson, district manager at Madera, Cal., led in personal production.

### Several Renewal Records Made

A number of renewal records were reported for 1936 by the Jefferson Standard Life. H. R. Smith, manager Houston agency, won the presidency of the 1937 Julian Price Club, with a 100 percent renewal record on \$205,000 business exposed during the past year. This is the top honor that can be won by company producers.

One hundred percent renewal records on first and second year business were made by J. W. Summey, Charlotte, N. C.; J. M. Foushee, Greensboro, N. C.; S. C. Pottharst, manager New Orleans; J. L. Hutton, manager Knoxville, Tenn.; J. V. Barrington, Albuquerke, N. C., a member of the Charlotte agency, completed 10 consecutive years membership in the club and has been given a lifetime status. Five consecutive years were completed by N. J. Runyon, Asheville, N. C.; R. T. Cox, Goldsboro, N. C.; J. C. Heaberlin, Huntington, and B. B. Priest, San Antonio. Mrs. H. F. Archer, Atlanta, completed her sixth year, and W. L. Davis, Nashville, his seventh. R. S. Peters, manager at Denver, has finished nine consecutive years.

There were 138 earned memberships in the 1937 club, eligibility for which requires a first and second year renewal record of 75 percent or better. Top honors for the branch offices were won by Greensboro, N. C., which were for the second consecutive year. W. H. Andrews, Jr., is manager and P. L. Smith is cashier.

### Top Producers in Contest

Eleven top producers from west of the Mississippi won the Lincoln National Life "Championship of the U. S. A." in an East-West football game contest conducted in December. Two teams of outstanding producers were pitted against each other.

The line-ups of the teams were determined on individual production during the December month football contest. The 11 leading candidates from agencies from each section being named.

## Direct Sales Promotion Work



CHARLES W. HALL



SENECA M. GAMBLE

Charles W. Hall will direct the new sales promotion division of the Massachusetts Mutual Life under its new agency department plan. Seneca M. Gamble will supervise the direct mail service and assist Mr. Hall in his work.



**Modern**  
AS AN  
**AIRFLOW CAR**

If interested in territory in  
Minnesota, Oklahoma, Texas  
or Missouri write today.

**MODERN LIFE**  
**INSURANCE COMPANY**  
M. A. NATION, Vice-President & Secy.  
St. Paul, Minn.



# SALES IDEAS AND SUGGESTIONS

## Devise Sales Technique to Capitalize on Security Act

Now that the social security old age pension deductions are being taken from the pay envelopes, the life insurance production force is adjusting its selling technique very rapidly to that circumstance. Agents have discovered that the social security act has provided them with a remarkably natural and appropriate approach to prospects and serves as a means of eliciting information from prospects, some of which might not otherwise be obtainable.

As a matter of fact, the social security act has given many agents a new stimulation. Many of the companies and general agents have prepared suggestions on how the agent should proceed to capitalize on the federal scheme.

For some time the interest of agents and companies in social security was more or less academic. That is, they were interested in analyzing the various provisions, appraising the theories behind it and attempting to guess what its effect would be upon life insurance production. Now the outlook of life insurance people toward social security has changed. It is now a practical matter. It is here and the agents find that instead of being a hindrance, it is a real help to them in making the approach and getting their message across.

### May Change in Future

A few observers express the belief, however, that as time goes on the federal social security plan may prove to be something of a hindrance. Their theory is that after a few years, those who have been contributing will have acquired a death benefit interest under the federal plan that might be regarded by those in the lower income group as adequate and as a substitute for private life insurance. However, if such a psychological condition develops, it will not be for perhaps 10 years.

Agents find that most people are eager to talk about the social security plan. Very few people have a clear understanding of its provisions, even yet. Surprisingly few have taken enough interest to find out what their monthly benefits are likely to be upon reaching age 65. Accordingly, the agent finds that social security is a natural subject, with which to open the conversation. It is a disarming subject and at the same time a relevant one to the business at hand. It is decidedly a natural.

### Many Gadgets Are Used

Ingenious people, with the same type of mind as those who reduce the Culbertson system in bridge to a two by four card, have devised several gadgets that enable the individual to determine what his monthly benefits will be under the social security old age pension provision. Some of these are in the form of slide rules. Some are in the form of envelope computers and there are other contrivances. Some of these show the death benefits, as well. In order to use these devices, it is necessary to know the age of the individual at present and what his taxable salary is.

The agent undertakes to steer the conversation to make an opening for the question: "Mr. Prospect, what will be your monthly benefits under the social security act?"

More often than not, the prospect does not know. This gives the agent an opportunity to pull from his pocket his old age benefits calculator. The agent then explains that it is necessary to know the age of the prospect and this information usually is freely given. Then the agent finds he must know what

the average annual wage of the prospect is likely to be. The prospect may try to make some mental estimates and then the agent can break in, just to help the prospect in arriving at a figure by saying: "By the way, what is your present salary?"

Those who use this technique say that prospects almost without exception then give the information. The fact of a man's salary is something that may never be developed in an ordinary interview. Hence the social security approach is especially valuable if it can bring out that information.

Having the man's age and his present income, the agent can slide his calculator to the proper figure and tell the prospect what his monthly income will be under the social security act. Then the job is to make the prospect feel that this monthly income is rather negligible, although a beginning. It is then time to suggest life insurance to supplement the social security benefit.

Agents find that salary savings cases are particularly susceptible to the social security approach. People insured under a salary savings plan are accustomed to monthly deductions. They think of life insurance payments as monthly obligations and they are more inclined to think of the benefits as falling monthly. Accordingly, they can be shown that by paying so much per month additional they will be bringing their monthly retirement income at age 65 to a certain amount.

When on the subject of life insurance, the agent is given an opportunity to point out the differences between life insurance and the federal old age pension benefit. For instance, the government plan makes no provision for emergency funds, whereas life insurance does create an emergency fund. The government plan allows very small death benefits, whereas life insurance provides full death benefits. The government plan sets the retirement age rigidly at 65, whereas under a life insurance contract the retirement age is flexible.

Some general agents are urging their

men to analyze their policyholders to see whether they come under the social security old age pension plan or not. Those who do not come under the act should immediately be interviewed. These people have friends who do come under the act, have heard the matter discussed and have probably been giving some thought to the matter of retirement income. The fact that others are eligible for benefits under the act will stimulate them to set aside similar amounts out of their earnings to duplicate or surpass the benefits of the social security act.

One of the pat approaches that has been worked out is:

"Do you know how the new social security act will affect you?"

The answer being no, the next statement is:

"I can show you in a few minutes."

## SALES IDEAS OF THE WEEK

### PLAN SHEETS GREAT AID

Leading agents of the Lincoln National Life regard their plan sheets and time organizers as their greatest aids to increased production. It was learned from replies received by the home office to a questionnaire sent to honor club members. Without exception, agents replying to the questionnaire reported that they were relying on the detailed long-range plan sheet and monthly time organizer to maintain and raise their production levels for 1937.

\* \* \*

### CONSIDER PROSPECT'S DEPENDENTS

Wilmer M. Hammond, Los Angeles general agent Aetna Life, spoke to the Life Insurance Forum in Los Angeles on "You and I." He stressed the importance to the life agent in his daily work of considering his responsibility to the mothers and children of prospects in assuring their future protection, comfort and happiness. As the agent pushes his work vigorously he helps other people through spreading knowledge of the value of protection afforded by life insurance. "Many prospects may be inclined to postpone action, but if we press the subject with the enthusiasm and conviction that is inspired by a pas-

## Social Security Places Emphasis on Retirement

The broad benefits of the social security program should do much to cushion the road to lasting prosperity for America, according to W. L. Ambrose, president of the Knoxville Life Underwriters Association.

"The social security program is directly in line with the programs of insurance companies everywhere. Although perhaps somewhat revolutionary, it may well point the way for the public to become retirement-minded and provide a cushion against any economic disasters of the future," said Mr. Ambrose.

By setting up compulsory old age retirement benefits, the government has fallen directly in line with aims of the insurance field and has opened the way for greater saving in the years ahead, he stated. "The degree of old age retirement required by the law is a minimum," Mr. Ambrose commented, "and many people likely will be in the position to think more and more of retirement benefits, turning, then, to the insurance companies for increased assurance of independence in old age."

"The whole atmosphere of the social security program revolves about the idea of setting aside something at regular intervals to provide for the demands of tomorrow," Mr. Ambrose declared in labeling the idea behind social security as "definitely good."

"No fundamental changes in our strategy seem to me to be necessary. With the public's consciousness motivated to the need for providing ample old age income, our job simply resolves itself into more intelligent presentation of the value of our product in supplying that need. As never before, the American citizen will now be alive to the need, and also to the need for protection of his family in the event he does not live to retire. In my opinion the idea behind the act should have a most favorable effect upon increased production in the immediate future, to every man engaged in the business of selling life insurance."

sion for this work, then we will not only be successful and increase our own compensation, but the advantages and benefits to others will be correspondingly increased."

\* \* \*

### DEFINITE PLAN GETS RESULTS

A continuous flow of prospects is the greatest necessity of the life underwriter. The reason one-fourth of the agents write three-fourths of the business is that they have a plan and work it. Invest something in your own business such as direct mail and advertising. A number of large producers have succeeded by using definite work plans and definite daily work sheets. The kind of plan you have is not as important as getting a plan and sticking to it.—Grant Hill, Northwestern Mutual Life agency director, before Des Moines Association of Life Underwriters.

### DeWolf on Investment Trends

Eric DeWolf, investment counselor spoke to the Los Angeles C. L. U. chapter on "Investment Trends in 1937." He was optimistic concerning business conditions. He recommends to his clients the diversification of their investments, with the suggestion that they begin now to include life insurance and annuities in their investment portfolios.

Order a new **Little Gem** life chart, \$2. from the National Underwriter.

## Correct Habits Bring Success

Correct habits are the foundation of all success in a life insurance career, J. Harry Wood, agency controller of the John Hancock Mutual Life, told the Northern New Jersey Association of Life Underwriters at a meeting in Newark. He emphasized the importance of practice in developing these habits.

"In our profession," stated Mr. Wood, "we encounter many theories of success. Agents who make good work along different lines; some of these maintain that the most important thing is the prepared sales talk, others argue for the necessity of time control, while prospecting is defended by still others as the answer to the problem of making the sale."

"If a man would profit from the experiences of others, however, it is necessary to get behind all these different specifics to something broader. The life insurance agent's requirements for success are first of all enthusiasm or the will to succeed and secondly good technique or skill. Both these essentials, however, rest upon the common foundation of habit."

"People who really want to improve their lot do so by improving their habits," he said, illustrating his statement

with examples of success in many callings. A great orchestra, he pointed out, practices a number over and over again before it is ready to give a finished performance. Repetition of a hard learned technique is the secret of the person who excels in sports. Chauncey Depew had a reputation all his life for making extemporaneous speeches, but he himself admitted that he spent hours memorizing the words and perfecting his delivery. Disraeli wore out the rug before his mirror, learning how to make an effective entrance. Woodrow Wilson became a great public speaker because as a boy he used to climb into the pulpit of his minister father's church on week days and declaim to empty benches.

"If we are to develop the habit of success," Mr. Wood concluded, "we must form certain habits of prospecting, certain habits of work and to get this improvement we need to analyze what we are doing and what we should do and then develop the right kind of habit. Practice in itself doesn't make perfect, but the proper habit is formed by doing the thing the way it should be done regularly and often, until it becomes second nature to do it correctly."

## Dropping Interest Guaranty Pondered

(CONTINUED FROM PAGE 1)

do not guarantee interest rates for any such distance in the future and there is no reason why life companies are under any obligation to do so. Of course, it is conceded that if companies did not act in concert there would be a temporary advantage in competition for those that held off for a while.

Several factors are cited as to why companies might be leaving themselves too wide open if they continue to guarantee interest rates on proceeds.

While it is estimated that only about 15 to 20 percent of the business now on the books is on other than a lump sum distribution plan, approximately 40 to 50 percent of business currently being issued contains some mode of settlement provision, either one of the regular options in the policy being designated or a special agreement being drawn.

### Possible Adverse Selection

The difficulty about guaranteeing any minimum interest rates for an almost indefinite period into the future is that in practically every company's policies the assured has the right to select a settlement option and the beneficiary can do likewise when the policy becomes a claim. This leaves companies open to a tremendous adverse selection if at some future time interest rates should go lower than they are now. Although present rates are low there is no guarantee that they are at an all time bottom. Obviously, the lower interest rates might go the more widespread would be the demand on the part of policyholders and beneficiaries for companies to pay the rate of interest guaranteed under the policies.

While some may wonder why, if it is desirable to eliminate guaranteed interest on proceeds, it might not be unsafe to have life policies based on any definite interest assumption, it is pointed out that first, life policies do not involve the possibility of running so far into the future as the modes of settlement and second, under participating contracts at least, there is a substantial margin of safety in the mortality and expense factors. Companies having high premiums and high dividends could operate on an almost zero interest rate, although of course this would mean cutting dividends to the vanishing point.

### Seek to Avoid Costly Delays

What everybody wants to avoid is anything similar to what happened with income disability, which has already caused companies losses aggregating several hundred million dollars. That experience showed how quickly the agents and the public can take up with a purchase which is a great bargain. It is generally realized now that the companies might just as well have shut down on the sale of disability before the future losses had piled up to such an extent and there is a feeling that in handling the settlement option situation action should be taken before the logically predictable outcome is corroborated by a long and costly experience.

### Exception to Rule

An exception to the general rule that companies' policies permit a choice of settlement made by both the policyholder and beneficiary is the Travelers contract. Around 1924 the Travelers eliminated the settlement option provision from its policies but where distribution of proceeds is desired on other than a lump sum basis, writes a special agreement for each case.

This privilege is guaranteed in the policy, but the company is not contractually obligated to give the beneficiary a choice of settlement provision although its custom is to do so where it would not conflict with the provisions of the special agreement between the company and the policyholder. This setup gives the company control over how far

## McAndless Tells of Lincoln's Year

(CONTINUED FROM PAGE 3)

continue for a while at the present rates and hope for an increase in interest earnings in five or six years or even 10 years and thus take a chance. Mr. McAndless said there is too much uncertainty to take long chances. He referred to the policies with the smaller investment feature, saying that it would be possible to go on with a net 3½ percent rate for 10 years but where there is a considerable investment feature the company could not take chances for more than three or four years at the 3½ percent interest earnings. The effect of the lower interest yield, he said, is especially heavy on its so-called investment contracts. He also said that the lower interest yield affects especially smaller policies.

### Four Alternatives Presented

He discussed the alternatives before the Lincoln National as to the course that might be pursued. In the first place, it could increase its premium rates. If it did then it would find itself in an unfavorable position in some states where there are strong local companies which have an edge on the better investments so that they need not increase their rates. He referred especially to California and Texas as examples. The local companies are able to get higher interest investments that are perfectly safe.

### Might Issue Participating Policies

In the second place, the Lincoln National could issue a full line of participating policies and push the sale of those. That would give it a larger gross premium. He said that the management felt that this might be a mistake because the Lincoln National agents are trained to write non-participating policies. With the lower average sized policies on which to project a dividend scale the showing might not be as favorable as with the companies writing only participating policies.

In the next place, it might be possible to continue the issuance of larger policies on the non-participating plan and have those less than \$2,500 on the participating plan. If this were done then the smaller policies would pay their own way. Mr. McAndless continued to dwell on the problem of the smaller policies. He said that any issuance of participating policies would place the company in an unfavorable light in the employment of new agents. When it would seek new agents and would point out its participating plan the reaction would be that these men would prefer to go with companies that write only participating or if they were convinced that non-participating was the best course they would seek out the purely non-participating offices.

### Increased Business to Be Gotten

The fourth alternative was to get an increased business out of the existing organization and endeavor to urge agents to boost their average sized small policy and instead of writing so many \$1,000 policies force up the face value to \$1,500 or \$2,000. Mr. McAndless said that 62 percent of the Lincoln National policies are less than \$2,000 each. It will be necessary, he thinks to increase the rates on some endowments and endowment annuity contracts. The management, he declared, has decided to try the fourth alternative, at least for six or seven months longer and see to what extent the field will respond.

Last year, he said, there was an increase of \$21,613,000 insurance in force bringing that item to \$901,000,000. He said that the interest earned was in ex-

cess of 3½ percent so that the company is safe in its reserve basis. There will be less contingent surplus as shown in the new annual report, due to the losses on real estate but that was the reason the reserve was put up. The mortality was heavier. The real estate sold was about the same as the year before. Mr. McAndless announced that the amount of lien on Royal Union Life policies would be decreased during the year.

The income was \$36,000,000 in 1936. The assets are \$131,500,000 and the assets show an increase of \$10,000,000. There is \$38,000,000 in the bond account. Its new business last year was \$130,000,000. If the company can show an increase of \$25,000,000 or \$30,000,000 this year it will pass the billion dollar mark in force next year. Mr. McAndless urged the general agents to get busy, urge their men to boost up the average small policy so that the company could go ahead on its present basis.

Vice-president A. L. Dern presided over the banquet and was very happy in his presentations and comment.

### Theme of the Meeting

The Lincoln National held a three-day meeting, it being largely educational, the teachers being Manager John M. Holcombe and Consultant J. H. Jamieson of the Life Insurance Sales Research Bureau. They had charge of all the work Tuesday and Wednesday and the major part of the program Monday. The theme of the meeting

## Beha Named Director of Western & Southern Life



JAMES A. BEHA

The Western & Southern Life in 1936 made the most outstanding progress in its history, President C. F. Williams reported. The statement shows more than \$69,000,000 gain of insurance in force and increase in assets of more than \$9,000,000. Total insurance in force is over \$802,000,000, he reported, and total assets over \$153,000,000. Capital and surplus are more than \$22,000,000.

Directors and officers were reelected at the annual meeting. W. C. Safford was named vice-president in charge of public relations, and J. A. Beha of New York was elected a director. Mr. Safford has been vice-president of the Western & Southern Fire and Western & Southern Indemnity. Formerly he was Ohio commissioner. Mr. Beha is general counsel of the National Bureau of Casualty & Surety Underwriters, formerly was its general manager and before that insurance superintendent of New York.

was "Recruiting New Men" and "Training New Men." The meeting was opened Monday morning by Vice-president A. L. Dern and Agency Superintendent C. F. Cross. There were a number of individual conferences during the meeting. J. S. Braunig of St. Louis, one of the general agents, spoke Wednesday on "A Definite Training Program."

### Saturday Evening Post Publicity

J. F. Hunt, account executive of Maxon advertising agency, which has the Lincoln National account, at the banquet stated that this year the Lincoln National would use nine issues of the "Saturday Evening Post" which is designated as the most expensive advertising magazine issued. Its circulation is 3,000,000 per week. The average age of the readers, he said, is 25 or 36. He said that some of the most prominent commercial artists have been employed to draw cuts and pictures featuring Lincoln and the company. The plan is to use half pages facing one another so as to control really two pages.

## Pension Trusts a Feature of Underwriting "Clinic"

(CONTINUED FROM PAGE 3)

other advantages aside from the saving of income taxes and pension trusts can be created. The mistake the average underwriter is making today is that he is going out and talking taxes, taxes, taxes, as if that was the only thing in connection with the pension trusts.

"A word of caution should be given to the underwriters: every underwriter in the country seems to think that he is an expert on pension trusts just because he writes them or somebody has told him something about it. As a matter of fact, going out the way the average underwriter does, in ignorance, he is repeating the same error that agents who have been passing out loose information on the combination subject of insurance and taxes, whether they be estate taxes, business insurance or non-pension trusts.

### Must Use Great Caution in Making Presentations

"These subjects must be presented very carefully. The place of the attorney and tax expert must be made clear and definite. We are not tax experts. We are insurance underwriters and we should leave the decision as to the discussions as they pertain to taxes to the proper experts in those fields. Most of the difficulty that appears in this subject is because the insurance underwriters are inclined to be tax experts."

In the part of the clinic dealing with programing and auditing, Mr. Goldstein was assisted by R. U. Redpath, Jr.

## May "Wall Off" Reserves

Commissioner Carpenter Wants Special Assets of Life Companies Earmarked—Follows English System

SAN FRANCISCO, Jan. 14.—In an endeavor to find a middle ground between the growing movement to prohibit life companies from doing any other business Commissioner Carpenter has proposed a bill to the California legislature for "walling off" of life reserves. While the machinery of such action has not yet been worked out it is presumably Mr. Carpenter's opinion that the English system under which assets equal to life reserves are earmarked and separately accounted for and not subject to loss on account of other business is the best solution at the present time.

C. H. Bryant, general agent Pacific Mutual Life, has been elected a director of the Tulsa Better Business Bureau.